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Cuts in Welfare Benefits Feed Swedes' Discontent

Anxiety Spreads as Social Democrats Propose Even Bigger Trims in System

By Richard W. Stevenson

STOCKHOLM — In the last six decades, Sweden built one of the world's most generous and successful social welfare systems, providing its citizens with a lifelong array of benefits that helped them maintain a high standard of living through good times and bad.

But now, unable to afford the bill, the country is being forced to pare social welfare spending.

Although the cuts have so far hardly been Draconian, there is widespread anxiety that the system, long seen as the model for combining socialist welfare policies with vibrant capitalism, could collapse under its own economic weight.

The strains are already beginning to show. Despite Sweden's commitment to providing child care, officials in some areas have had to reduce spending on subsidized day-care centers.

In the last few years, reductions have been made in unemployment insurance and in payments to workers injured on the job. Among the proposals likely to be enacted in coming months is a \$17 reduction in the \$100 monthly payment provided to every family for each child regardless of need.

It is particularly unsettling to many Swedes that the most recently proposed cuts, the deepest so far, are being carried

out under the party that built the system, the leftist Social Democrats.

The party, the dominant political force since the 1930s, regained power in elections last fall after three years in opposition, in part because voters felt that the conservative government had gone too far in dismantling Sweden's liberal system.

"We are just nine million people, and we should be able to take care of each other," said Annemie Drevstam, an assistant at a Stockholm photo agency. "It's a new problem for Sweden that we have people living on the streets, and if I have to pay more in taxes or get less child allowance to help, I'm willing to do it."

Yet, Sweden already imposes one of the world's heaviest tax burdens to pay for its social largesse, with total government receipts in 1993 amounting to 58.3 percent of gross domestic product, compared with 31.1 percent in the United States.

The Swedish system provides, among other benefits, a guarantee of close to a full income in cases of sickness and unemployment. It covers medical care and subsidizes educational costs, sets minimum retirement income and provides paid leaves of absence for new parents.

But faced with one of the developed world's worst budget deficits and plagued by a stubbornly high unemployment rate

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Dutch Rivers Start to Ebb, But Dikes Remain in Peril

By William Drozdiak

AMSTERDAM — Rivers that have inundated vast tracts of the Netherlands in Europe's heaviest floods this century started to recede on Thursday, raising hopes that more than a quarter-million people who fled their homes may soon be able to return.

Hundreds of soldiers and volunteers worked through the night to shore up dikes, but the authorities warned that the situation remained critical because the reinforced earthen dams could still give way under the pressure of swollen rivers rushing toward the North Sea.

Near the town of Ochten, about 20 kilometers (12 miles) west of Nijmegen, where water began seeping through the saturated barriers and caused panic Wednesday, engineers worked feverishly to repair broken sections of dikes along the river Waal.

More than a thousand trucks dumped tons of sand during the night in an effort to protect low-lying villages and farms, which risk being submerged under six meters (20 feet) of water if the dams collapse.

The water levels appear to be stabilizing, but that doesn't mean there is no danger, said Ger Bodewitz, a spokesman for the Dutch Interior Ministry. "It's difficult to make any predictions because the dikes are soaked and it's still possible they will break."

The bright sunshine that bathed West-

ern Europe on Thursday after days of pelting rain sparked optimism that the worst of the flooding was over.

In France, Belgium and Germany, water levels were dropping rapidly with the arrival of dry weather, and riverside residents began the mammoth task of cleaning up the silt and debris.

In the southern Dutch province of Limburg, where the flooding has subsided, 15,000 people in the first wave of evacuees were allowed back to the area. But the inhabitants were warned not to allow children to play near the mud because much of it was found to be contaminated by heavy metals from the polluted rivers.

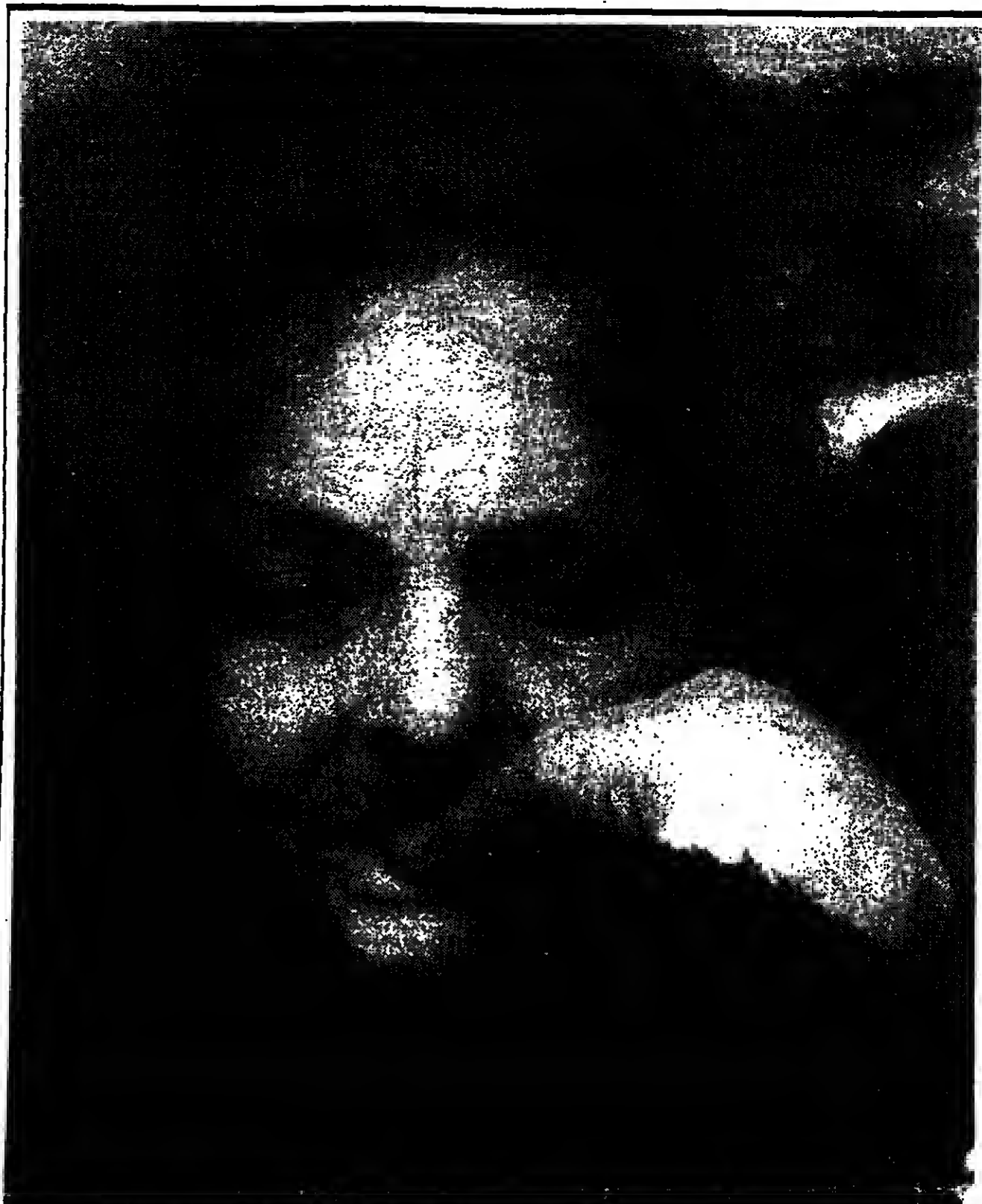
To guard against looting, the police patrolled communities that were transformed into ghost towns by the country's largest peacetime evacuation in history.

As the waters receded, a debate was raging over who should bear responsibility for neglect of the inland dikes.

After a devastating storm surge in 1953 overwhelmed sea dikes and caused the deaths of more than 1,800 people, the Dutch government invested in an elaborately engineered barrier to protect the southern coastal provinces.

The multibillion dollar scheme, known as the Delta project, succeeded in buttressing the coast from fierce North Sea storms that have posed a constant threat to a

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A FACE OF WAR — A Chechen woman with a pensive look fleeing her battered village Thursday. The new leader of the Russian campaign against the rebel republic says he now expects the Chechens to fight a guerrilla war. Page 2.

U.S. Focuses on New Hot Spots in Balkans

By Daniel Williams

Washington Post Service

WASHINGTON — As international efforts to start peace talks in Bosnia have faltered, the Clinton administration is turning its attention to two other troubled diplomatic fronts out of concern that the war may widen soon.

Administration officials fear a domino effect from the Serbian refusal to discuss with the Muslim-led Bosnian government a partition plan that splits the country roughly in half. Tensions are rising between the Muslims and their Croatian allies in Bosnia, an alliance of former ene-

emies created at American behest last year to isolate the Bosnian Serbs.

Also, Croatia is threatening to expel United Nations peacekeepers who stand between its army and an enclave of breakaway Croatian Serbs. Expulsion would probably mean war between Croatia and Serbia.

A collapse of either the Croatian-Muslim arrangement in Bosnia or of UN peacekeeping in Croatia would spell disaster for Washington's policy of trying to limit Balkan warfare to Bosnia in hope of snuffing it out through negotiations.

"The situation is very close to the kind of disintegration that could set off a very

dangerous chain reaction," said Richard C. Holbrooke, assistant secretary of state for European and Canadian affairs.

Mr. Holbrooke and Defense Secretary William J. Perry will meet Sunday with Croatian and Muslim leaders in Munich, while attending a European security conference.

The administration has chosen to tend to these potential conflicts in part because, having given up on use of force, it has little leverage on the Bosnian Serbs. For the moment, there seems to be no prospect of a breakthrough in the talks.

"There is no solution at this point," Mr.

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After the Cheers, Bitter Fallout From the Peso Rescue

Europeans Protest U.S. Rush at IMF

By Nathaniel C. Nash

New York Times Service

FRANKFURT — In an unusual protest against what they considered to be heavy-handed U.S. tactics at the International Monetary Fund, five European countries abstained from supporting the Fund's \$17.8 billion loan package for Mexico.

Germany, Britain, Belgium, the Netherlands and Switzerland withheld their votes late Wednesday at the IMF headquarters in Washington. European officials said Thursday. The five complained that they had not been consulted on the \$10 billion increase of credit to Mexico announced by President Bill Clinton late Tuesday as part of an emergency package to bolster confidence in the falling peso.

"We think the package was put together

with too much haste," a German government official said, "and that the member countries did not have enough time to evaluate it." The official asked that his name not be used.

European officials said that despite their upset over being railroaded into approving the package for Mexico, they agreed that the aid was needed and thus did not vote against it.

Officials of the governments said that not only were they caught by surprise when Mr. Clinton announced the increase in IMF aid, from \$7.6 billion previously, but that they also received the documents on the agreement less than an hour before the Wednesday meeting at which they were

See LOANS, Page 8

Mexicans Fret Over New Pile of Debt

By Tod Robberson

Washington Post Service

MEXICO CITY — Patricia Bayo tightened her grip on a pair of new shoes at a Mexico City mall as she considered the \$49 billion international package of loans and loan guarantees the Clinton administration had arranged for her country.

"Well," she said with a courteous smile, "I think you should be very happy; you're now the proud owners of Mexico. All I can say is, better you than the Japanese."

Contrary to President Ernesto Zedillo Ponce de León's efforts to portray the package as a victory for Mexico, Miss Bayo and other Mexicans interviewed reacted with a mixture of indignation and nervousness at the prospect of more red ink being added to Mexico's balance sheet.

A year after celebrating the start of a partnership with the United States and Canada through the North American Free Trade Agreement, many Mexicans say they feel enslaved by an economic crisis that forced their president to plead to Washington for a bailout.

President Bill Clinton came to the rescue Tuesday, bypassing congressional opposition and invoking executive authority to approve \$20 billion in short-term loans and longer-term loan guarantees for Mexico. He also announced that the International Monetary Fund and other nations had provided another \$29.5 billion in credits and guarantees.

[Mexico's central bank provided a

See MEXICO, Page 8



EUROPE'S MERCILESS WEATHER — As northern Europe bails out of its worst floods of the century, Spain is contending with drought. On Thursday, José A. Sanchez, a biologist, checked a parched area of Hondo in Alicante.

Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 60 L. Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Cameroon.....1.400 CFA	Qatar.....8.00 Riols
Egypt.....9.00 FF	Réunion.....11.20 FF
Gabon.....90 CFA	Saudi Arabia.....9.00 R.
Greece.....350 Dr.	Senegal.....225 PTAS
Italy.....2.600 Lire	Tunisia.....1.000 Din
Ivory Coast.....1.120 CFA	Turkey.....7 L. 45.000
Jordan.....1 JD	U.A.E.....8.50 Dirh
Lebanon.....US\$ 1.50	U.S. Mil. (Eur.) \$1.10

Dow Jones		Fib Index	
Up	23.21	Down	0.15%
	3870.77		110.37
The Dollar		Thurs. close	
New York	1.518	previous close	1.5183
DM	1.5825		1.5828
Pound	99.425		99.70
Yen	5.261		5.265
FF			

India Keeps Its Grip on a Nizam's Gems

By John F. Burns

New York Times Service

NEW DELHI — For the nizams of Hyderabad, Muslim rulers of fabled wealth whose authority once extended across much of southern India, the armored car that carried four steel trunks away from a Bombay bank vault last month was a punctuation mark to decades of declining fortune.

The trunks, bound for a government strongroom in New Delhi, held a collection of jewels considered by experts to be one of the greatest ever assembled.

Among them was the fabled Jacob diamond, a duck's-egg-size 162-carat stone bought by Hyderabad's ruling family in 1891. It was used for much of this century as a paperweight by Osman Ali Khan, the seventh and last nizam to rule the royal state.

This was the first journey in more than 40 years for the jewels — diamonds, rubies, emeralds and pearls, many in gold settings, some acquired from the old royal courts of France and Russia.

For more than half that time, they have been the focus of a struggle between the Indian government and the heirs of the seventh nizam, who placed the collection in the Bombay vault after his domain became part of independent India in 1947.

The seventh nizam, who died in 1967, was known for his vast fortune and for his idiosyncratic ways, including a habit of hoarding cash that once led rats to chew their way through \$3 million (\$4.7 million) in bank notes in a palace basement. Wary of his family's profligacy, he tied up his fortune in a web of trusts. One of those held the jewelry collection, under terms that forbade its sale until after the death of his oldest son, Azam Jah Bahadur.

When that son died, in 1970, a battle opened with the Indian government that would continue for 24 years. Finally, it was settled by the Supreme Court last month.

To a compromise between the heirs, who hoped to sell the jewels abroad, and the government, which contended that the jewels should become state property with no compensation, the court allowed the government to buy the treasure.

Setting aside a valuation of \$250 million to \$300 million by Sotheby's and Christie's, the international auction houses, the court set a price equivalent to \$71 million.

For 200 of the heirs, including the present nizam, Mukkaram

See BAUBLES, Page 8

Kiosk

Russian Legislator Abducted and Slain

MOSCOW (AP) — The police found the body of a Parliament member, Sergei Skorochkin, on Thursday who had been kidnapped from a bar outside Moscow by gunmen posing as police officers, the Itar-Tass press agency said.

The body of Mr. Skorochkin, an independent deputy in the lower house, was found handcuffed and shot in the back of the head. Mr. Skorochkin, 33, had earlier shot and killed a man who allegedly opened fire on him. Prosecutors later ruled that he was defending himself.

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Fratricidal French Socialists Set to Pick a Candidate

By Joseph Fitchett
International Herald Tribune

PARIS — Nothing seems to faze Henri Emmanuelli — including his pending trial in connection with illegal party financing — as he bids for the presidential nomination of France's distraught and fratricidal Socialist Party.

A combative personality with a sharp verbal jab, Mr. Emmanuelli, 49, seems unshaken by the political roller coaster that has laid his party low. It is the end of the ride after 14 years under President François Mitterrand, the only Socialist president under the Fifth Republic.

The Socialists — facing a massive shift to the right — seem headed for such a serious defeat that the party could disintegrate as a national force. As often in the past, after an interlude in power, the French left might spend decades in the desert before finding a new standard-bearer.

The presidential campaign, instead of closing Socialist ranks, has triggered self-destructive competition among second-rank figures for control of the remains of the party.

If Mr. Emmanuelli wins the nomination — as seems likely at a party conclave in Paris on Friday — it will be mainly because as first secretary he runs what is left of the party machine.

The Socialist disarray surfaced in full force last month with the withdrawal of Jacques Delors, whose stature after 10 years as head of the European Commission had promised a decent showing.

No other candidate can offer more than mere electoral survival for the party — and perhaps not even that. The latest polls show the Socialists not even surviving the first round, at the end of April, leaving the run-off to be fought between two conservatives.

That humiliation could fragment the party — precisely the situation that enabled Mr. Mitterrand to become the savior of French socialism in 1971, when he wielded its several currents into a single movement that eventually carried him to the presidency.

The pervasive authority enjoyed by a French president helps explain the straits in which the Socialist Party finds itself. The absence of well-known personalities reflects Mr. Mitterrand's record of systematically destroying the careers of potential successors.

Without attacking Mr. Mitterrand by name, Mr. Delors, in declining to be the candidate, dismissed the party as a discredited force.

Michel Rocard, a former prime minister who had seemed destined for the candidacy, has accused Mr. Mitterrand of snubbing him down by anointing a rival, the business tycoon and populist, Bernard Tapie — now effectively barred from politics by financial difficulties, including personal bankruptcy.

The man who seemed set to take over the party at this juncture — Laurent Fabius, 48, considered a brilliant intellect and smooth operator — has been kept out of the race by the scandal of AIDS-contaminated blood products dispensed by state-run transfusion services while he was prime minister.

To fill the vacuum, Lionel Jospin, 57, a former education minister and party leader, declared his candidacy, arguing that the party needed a fresh start. Although better known nationally, he lacks his rival's political skills.

Widely viewed as a stand-in to prevent any challenge to Mr. Fabius's future party control, Mr. Emmanuelli is an unconditional supporter of Mr. Mitterrand. Still infused with the militancy of his Communist parents, Mr. Emmanuelli rose through ranks to party treasurer — where he was accused of taking illegal contributions for the party.

Mr. Emmanuelli, who has never been suspected of personal enrichment, dismisses the charge as political. But he stood scant chance of becoming the candidate until Mr. Mitterrand intervened last week to veto a presidential bid by Jack Lang, the former culture minister.

Mr. Mitterrand apparently decided that a Lang candidacy might loosen Mr. Emmanuelli's grip and help Mr. Jospin and his allies, including Mr. Rocard.

Bosnian Sides Reject Paris Plan for Talks

Mediators Also Have Doubts

Agence France-Presse

SARAJEVO, Bosnia-Herzegovina — The Bosnian government, Serbia and key international negotiators lined up Thursday in rejecting French calls for an emergency summit meeting to galvanize the Bosnia peace process.

While Bosnian officials in Sarajevo denounced the move, proposed Tuesday by Foreign Minister Alain Juppé, as an attempt by the international community to backstab, no comments, President Slobodan Milosevic of Serbia described it as a waste of time.

The timing of the proposal was also criticized by the European Union negotiator, David Owen, and it has drawn a lukewarm response from Washington.

Mr. Juppé called for a new international conference to try to revive stalled negotiations between the Muslim-led government in Sarajevo and the Bosnian Serbs before the fragile cease-fire, in operation since Jan. 1, expires on April 30.

In Paris on Thursday, the Foreign Ministry spokeswoman, Catherine Colonna, quoted Mr. Juppé as saying the plan had met with "fairly broad agreement" from partner countries, adding that such a meeting would require "very careful preparation" by the five-nation "contact group" on Bosnia.

The contact group, comprising Britain, France, Germany, Russia and the United States, has temporarily shelved efforts to revive the bilateral Bosnia

talks in the face of Serbian rejection of its proposals to partition the former Yugoslavia.

But in Sarajevo, the Bosnian foreign minister, Irfan Ljubijankic, told Agence France-Presse that Mr. Juppé's proposed conference would "dilute all the results of the contact group so far." He said, "We would not welcome such a thing."

In Belgrade, meanwhile, Mr. Milosevic said in a statement that he was opposed to the idea of a new peace conference and was pressing Bosnian Serbs to pursue negotiations with the international mediators.

Lord Owen also poured cold water on the suggestion. He said it might be a good idea in the future, but added: "I don't think that any of us believe that the time is right at the moment."

Earlier Thursday, the White House gave Mr. Juppé's plan a cool reception, saying it would have to be painstakingly prepared to succeed.

■ Croatian Serbs Hold Out

Croatian Serbian fighters remain in battle positions in the north of the Bosnian enclave of Bihać despite retreating in the south, the United Nations said Thursday. Reuters reported from Zagreb, Croatia.

A UN spokesman said the "intransigent" and "belligerent" Serbs, from the Krajina region of Croatia, bore prime responsibility for the fighting in Bihać, which has shaken the cease-fire agreement.



A group of civilians crossing a temporary bridge at Mostar, Bosnia-Herzegovina, on Thursday. It replaced the well-known Old Bridge, which was destroyed by shell fire.

Foes Vow Bloodshed If Algiers Holds Vote

By Youssef M. Ibrahim

New York Times Service

PARIS — A detained opposition figure in the Algerian Islamic movement has warned the government against carrying out plans for a presidential election this year, saying such a move would lead to more bloodshed in a civil conflict that has already taken 30,000 lives.

The warning was made in a letter written by Ali Belhadj, the second-highest official in Algeria's dominant Islamic opposition party, the Islamic Salvation Front. It was published Wednesday but was dated Jan. 27, three days before a suicide car-bomb attack outside an Algerian police headquarters that killed 42 people and wounded 286.

The letter was published by a London-based Arabic daily, Al Hayat.

Mr. Belhadj is widely believed to command a large following among Algeria's underground Armed Islamic Group and the Islamic Salvation Army, the Front's military wing. He is deputy to Abassi Madani, who heads the Front. Both men were jailed three years ago and were released on house arrest in Algiers last year.

In his letter, addressed to Algeria's minister of information, Mr. Belhadj noted that "talk of presidential elections in these circumstances will not solve the crisis but make it far deeper and more dangerous."

"And the next few days will demonstrate so," he added.

Mr. Belhadj rejected a recent offer by the government to forgive Islamic extremists who turn themselves in. He said that those who picked up weapons to fight "the oppressive ruling clique" would not be "fooled with such procedures, which can only fool opportunists."

Algerian officials blamed Islamic fundamentalist guerrillas for the bombing of Monday, but none of the armed Islamic groups that usually issue statements after such assaults have taken responsibility for the attack.

One Islamic Salvation Front official, Ali Djeddi, who was released from jail a year ago, was quoted Wednesday in an Algerian newspaper as saying the bombing was "revolting and incomprehensible."

But in tracts circulated in Algeria, the Islamic Salvation Army called upon its fighters to intensify their attacks during the holy month of Ramadan, which started this week, urging them to kill 5,000 people. An estimated 1,500 were killed last year during Ramadan.

The authenticity of such tracts has been controversial, with some Algerians and foreign experts in Algerian affairs claiming that they are produced by government intelligence officers to damage Islamic parties.

President Liamine Zeroual's announced plans to hold a presidential referendum this year have been rejected by all opposition parties, including the two main secularist parties, the National Liberation Front and the Front for Socialist Forces.

The parties, which met last month in Rome with some Islamic opposition leaders, argued that elections were intended only to perpetuate the military-backed regime with hand-picked candidates presenting no real alternative to voters.

President Zeroual, a former general, reiterated his determination to hold the presidential referendum this year during a visit on Tuesday to hospitalized victims of the latest bombing.

Tuberculosis Spreads in Asia

Reuters

NEW DELHI — One million people die every year of tuberculosis in South Asia, a monitoring center in Katmandu said.

Russian General Expects a Limited Chechen Guerrilla War

Compiled by Our Staff From Dispatches

MOSCOW — The new official coordinating Russia's fight to bring rebel Chechnya in heel said Thursday that Moscow faced a guerrilla war in the region, but that fighting would not spread throughout the northern Caucasus.

"We are expecting the worst variant, a partisan war," said General Anatoli Kulikov of the Interior Ministry, whom President Boris N. Yeltsin appointed chief coordinator of the Chechnya campaign Wednesday.

"People will go into the ravines and from there armed bands will launch raids and attacks," he said at a news conference.

"The turning point has not been reached, but there are signs of it," General Kulikov added, saying the Russian military had fulfilled its mission of destroying the main Chechen forces.

In Chechnya, Russian troops trying to end the rebel region's three-year bid for independence pounded Argun, 12 kilometers (8 miles) east of the capital, Grozny, with artillery and mortar fire.

But the Chechen fighters, who still hold parts of Grozny nearly eight weeks after the Russians intervened in the mountainous region, kept up stubborn resistance.

Meanwhile, the newspaper Izvestia said Thursday

that Defense Minister Pavel S. Grachev, Sergei Stepashin, the counterintelligence chief, and two deputy prime ministers could soon be dismissed.

A government spokesman declined comment on the report.

General Grachev, who handed over control of the Chechen operation to General Kulikov, was hospitalized for a routine army physical, officials said Thursday.

Nationalities Minister Nikolai D. Yegorov was hospitalized earlier with pneumonia, and Izvestia speculated that he also would soon be removed.

(Reuters, AP)

Donald Pleasence, 75, British Character Actor, Dies

Reuters

LONDON — The British character actor Donald Pleasence, 75, whose piercing blue eyes and bald pate made him a natural movie villain, died Thursday in France after a heart operation.

Mr. Pleasence, who was acclaimed for his stage role as the repugnant tramp Davies in Harold Pinter's "The Caretaker" in 1960, moved on to Hollywood to give a string of convincing film portrayals of psychopaths and criminals.

The actor, who appeared in "The Great Escape" war film as a short-sighted forger and as an elegant despot in the James Bond thriller "You Only Live Twice," had just finished his last role in the latest "Halloween" film when he died.

"He played many villains because he played them so well," said his close friend, the director David Giles. "He could look amazingly malevolent although he was one of the least malevolent people I have ever met."

Mr. Pleasence died at his

home in Saint-Paul-de-Vence, near Nice. He spent much of his life in France.

Henry Kraus, 89, Art Historian and Writer

PARIS (IHT) — Henry Kraus, 89, who taught himself about art and went on to write several books on medieval church art, died Jan. 27 at his home in Paris.

He was awarded a MacArthur Foundation grant in 1984. Alone or with his wife, Dorothy, who survives him, he wrote nine books on ancient churches in France and one on the medieval cathedral of Oviedo in Spain.

His best-known works were "The Living Theater of Medieval Art," and a book about the economics of cathedral building called "Gold Was the Mortar."

George Robert Stibitz, 90, Digital Computer Inventor

NEW YORK (NYT) — George Robert Stibitz, 90, whose mathematical calculations and tinkering at the kitchen table led him to invent the first digital computer in 1940, died Tuesday at his home in Hanover, New Hampshire. He had been in declining health for about a year.

Mr. Stibitz worked as a research mathematician at the Bell Telephone Laboratories in the 1930s. In 1937, he built a primitive electric contraption that added. It was made of dry-cell batteries, metal strips and flashlight bulbs soldered in wires from two telephone relays. A replica sits in the Smithsonian Institution in Washington.

He and a Bell switching engi-

neer, Samuel Williams, then expanded the machine into the closet-size Model 1 Complex Calculator and put it into routine operation at the beginning of 1940. That version solved problems faster than 100 human operators with mechanical desk calculators.

André Frossard, 80, French Catholic Writer

PARIS (Reuters) — The French Roman Catholic writer André Frossard, 80, a friend of Pope John Paul II, who defended him from charges of dogmatism and intolerance, died Thursday.

A member of the French Academy, Mr. Frossard published "Defence of the Pope" in 1993, his 26th book and the last in a series of pamphlets prompted by his long friendship with the pontiff.

Mr. Frossard for many years wrote a biting column for the conservative daily Le Figaro under the title "Lone Cavalier."

In his last column, published Thursday, he wrote that the economic crisis had placed Europe on a powder keg because it had gambled on greed.

Ferruccio Tagliavini, 81, an Italian lyric tenor who was a favorite of New York Metropolitan Opera audiences in the late 1940s, died Saturday at his home in Reggio Emilia, Italy. Mr. Tagliavini specialized in the popular Puccini leading roles — Rodolfo in "La Bohème," Pinkerton in "Madama Butterfly" and Cavaradossi in "Tosca."

Karl Gruber, 85, foreign minister of Austria from 1945 to 1953, died Wednesday from diabetes in Innsbruck, Austria.

Politicians in Ulster Vow to Keep Talks Going

Reuters

LONDON — Politicians in Northern Ireland pledged Thursday to keep the British-Irish peace drive on track after it was plunged into crisis by a newspaper leak.

Prime Minister John Major of Britain made a rare nationwide address Wednesday to try to limit damage from the report, which said that London and Dublin had formulated a plan to create a joint north-south authority with important executive powers.

The report, in The Times of London, enraged pro-British Protestants in

Northern Ireland. In it they saw confirmation of their worst fears — that the British-ruled province would one day be reunited with the Republic of Ireland.

But David Irvine, a leader of the Progressive Unionists, which is linked to the Ulster Volunteer Force, a Protestant paramilitary group, said Thursday that a cease-fire would continue. He stopped short of calling for the document to be scrapped.

"I am not for ripping up the framework document yet, but I think realistically we need to look at that which will work," he told BBC radio.

Mr. Irvine's commitment not to break the truce was echoed by Pat Doherty, vice president of Sinn Féin, the political wing of the Irish Republican Army.

"There is a total and complete commitment to developing this peace process, and this has been well demonstrated for over five months," he said.

Mr. Major's address was an appeal to the people of Ulster, who are enjoying their longest spell of peace in 25 years. "Nothing is going to be imposed in Northern Ireland," he said, adding: "I ask for time, and I ask for trust. And I promise to pursue a lasting peace."

WORLD BRIEFS

Balladur Gives Deficit Cuts Priority

PARIS (Reuters) — Prime Minister Edouard Balladur, in his first television interview as a presidential candidate, said Thursday that he did not want to raise taxes but that reducing France's budget and welfare deficits would take priority over tax cuts.

Mr. Balladur, leading all comers by a 60 percent to 40 percent in opinion polls, dismissed proposals by conservative rivals for a radical cut in payroll deductions to combat the 12.6 percent unemployment.

Pressed to promise he would not increase existing taxes, he said the only such risk would be if hospital reform failed to bring soaring health costs under control. He played down the prospect of early income tax cuts, saying: "We will be able to seriously consider cutting only when we have lowered the deficit."

Walesa Moves to Dissolve Parliament

WARSAW (AFP) — President Lech Walesa took steps toward dissolving Parliament on Thursday, asking the heads of Poland's two houses of Parliament for their opinion on such a move and taking the contested 1995 budget to the constitutional court, the PAP news agency reported.

Mr. Walesa has blocked adoption of the budget, countering it violates the constitution. He could use his move as a pretext for dissolving the lower house because its three-month deadline to adopt the budget law expires Saturday. That would automatically cause the dissolution of the upper house.

Asking the heads of both houses for their opinion is the first step Mr. Walesa must take to dissolve Parliament under the Polish Constitution. But the leftist majority says Mr. Walesa cannot use Parliament's failure to adopt the budget to dissolve the legislature if he himself is blocking the law.

Iran Threatens Norway With Boycott

NICOSIA (Reuters) — Iran on Thursday threatened Norway with an economic boycott unless it changed its "anti-Islamic" stand, Tehran radio said.

Iran would not send a new ambassador to Norway, the radio quoted a Foreign Ministry spokesman as saying, and "would fully implement the economic restrictions it introduced several months ago," unless Oslo changed its policy and refrained from "anti-Islamic" policies. The statement, which did not spell out the restrictions, follows Norway's decision Tuesday to downgrade its diplomatic relations with Iran to protest Tehran's 1989 death sentence against the British writer Salman Rushdie.

Norway has said it recalled its Oslo envoy in October for appearing to soften Tehran's position on Mr. Rushdie. Oslo's envoy to Tehran was recalled for consultations on Jan. 16, and Norway said on Tuesday he would stay home.

Refugee Shelter Torched in Germany

ARNSBERG, Germany (Reuters) — Police reported a fire-bomb attack on an asylum-seekers' shelter on Thursday just after Bonn officials announced a sharp drop in racist violence in Germany last year.

One person was wounded and five of the eight mobile homes housing 11 refugees in Neheim-Hüsten near Dortmund were burned to the ground, the police in nearby Arnsberg said. Prosecutors are considering charges of attempted murder and arson in the incident.

News of the attack came shortly after the Interior Ministry confirmed a sharp drop in racist attacks last year. But a spokesman would not confirm figures in the Bild newspaper showing that racist attacks fell by half last year and that the police almost quadrupled their success rate in investigating crimes against foreigners.

Strike Shuts Down Burundi's Capital

BUJUMBURA, Burundi (Reuters) — Life in Burundi's capital came to a standstill on Thursday, the second day of a general strike called by opposition leaders aimed at overthrowing the Hutu-dominated government.

Banks, schools, gas stations and shops, some of which tried to stay open on Wednesday, were shut. On Wednesday, one person was killed and nine were wounded in two grenade explosions, in the ethnically divided capital and in Murungu in the northeast of the country. Grenades were also thrown by unknown attackers in the northern areas of Cibitoke and Ngazwa but casualties were not reported. Bujumbura's central market was open but few people dared venture out, as leaflets from unknown sources circulated around the city warning people to stay indoors during the morning.

The strike was called by Charles Mukasi, himself a Hutu but a leader of the Tutsi-dominated Party for Unity and Progress. He has called for the removal of Prime Minister Anatole Kanyenkiko, a Tutsi, by "whatever means necessary."

North Korea Sees Progress in Talks

SEOUL (Reuters) — North Korea said Thursday that it had made some progress with the United States during five days of talks in Berlin over its nuclear program, but that major issues remained unresolved.

"The two sides agreed that some progress had been made and recognized major issues that must be agreed upon for the conclusion of the supply agreement," said KCNA, Pyongyang's official press agency. The agency, monitored in Tokyo, said the two sides would meet again next month.

It quoted a joint statement as saying major issues remaining included the size and type of the new reactors, financial and contractual terms and nuclear safety.

For the Record

At least six people have been killed in Indonesia this week as floods swept through western Sumatra, the official Antara news agency reported. The floods damaged rice fields and inundated hundreds of houses. (AP)

A Berjaya Air aircraft preparing for takeoff from Kuala Lumpur International Airport with 19 on board hit a parked plane on Thursday. No one was injured, but both planes were damaged, airport officials said. (AP)

TRAVEL UPDATE

French Road Deaths Decline Again

PARIS (Reuters) — The death toll on French roads fell to a 38-year low last year, but it remained well above that of the safest European countries, the government said Thursday.

The number of highway deaths, falling for the sixth consecutive year, was 8,533, 5.7 percent lower than in 1993. The number of those injured in car accidents fell by 4.3 percent to 180,832. Transport Minister Bernard Bosson said.

In 1993, the latest year for which statistics are available, the number of traffic fatalities in France was 365 for one million cars, as against 224 in Germany, 198 in Italy, 190 in the Netherlands and 135 in Britain.

Scandinavian Airlines System's ground staff at Copenhagen airport threatened Thursday to go on strike March 2 after pay talks collapsed over pensions. A strike would inconvenience the 15,000 people who are expected to attend a March 6-12 United Nations summit meeting in Copenhagen. (Reuters)

The U.S. State Department has warned American citizens not to travel to Sierra Leone. "Travel within Sierra Leone should be considered extremely hazardous due to random and sporadic attacks by insurgents," the department said Thursday. The West African nation has been involved in a civil war since a military coup in May 1991. (Reuters)

Flights at Paris's two main airports were delayed by about a half-hour on average Thursday because of a 24-hour fire fighters' strike, airport officials said. At both the Orly and Charles de Gaulle international airports, only one of the two runways normally open was in service because of the strike. (Reuters)

Greece is considering banning all private traffic in Athens's historic and commercial district. Environment Minister Costas Laliotis said Thursday that his ministry had drawn up plans to block off a 2.5-square-kilometer (1 square mile) area near the Acropolis hill to all but public buses. (AP)

In Russia, draft legislation to require AIDS tests for all foreign visitors has been amended to exempt people staying for three months or less, the news agency Interfax said Thursday. (AFP)

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THE AMERICAS / CHASING DOLLARS

Republican Race for Election Funds Is On, Earlier and Harder Than Ever

By Richard L. Berke
New York Times Service

WASHINGTON — Shortly before Dick Cheney, the former defense secretary, formally dropped out of the race for the Republican presidential nomination in 1996, he called Mel Sembler, a millionaire developer in St. Petersburg, Fla., who would have been among his top fund-raisers, to give him the news.

Soon Mr. Sembler's telephone was ringing again. "Within hours," he said, "I had calls from Lamar Alexander, from Phil Gramm and from Arlen Specter." Within three days, Mr. Sembler also received calls from advisers to Dan Quayle, the former vice president, and to Senator Bob Dole.

Mr. Sembler threw his support to Mr. Alexander, the former governor of Tennessee. This week, after Jack F. Kemp,

the former housing secretary, dropped out, Mr. Sembler made a call of his own. He helped persuade Lawrence E. Baibatzis, a New Jersey businessman who was Mr. Kemp's head money-raiser, to join the Alexander effort.

The race to raise money is being fought earlier and more aggressively than ever before among the Republicans.

With more states, including New York and California, moving up the primary dates, candidates who catch fire in early contests will no longer have time to squeeze in enough fund-raising events to capitalize on their success.

Senator Gramm of Texas has already transferred \$5 million from his Senate committee to his presidential account. Dole aides said he had only about \$2 million left from past campaigns.

Still, Mr. Dole is the best positioned as majority leader and because he has an established network of contributors from three earlier runs for national office. Even so, Mr. Gramm and Mr. Alexander have been the most aggressive in lining up prominent fund-raisers.

The best known of the expected contenders say their goal is to raise at least \$20 million by Christmas — which comes out to roughly \$385,000 a week. To qualify for the federal grants that match contributions of up to \$250, candidates will be permitted to spend about \$44 million apiece in the primaries, of which only about \$15 million would probably come from the government.

So even though no candidates have formally declared, and even as politicians step up their attacks on special interests, the race for cash started in

earnest on Jan. 1, when government obligations for matching grants took effect.

Halley Barbour, chairman of the Republican National Committee, said: "In the bible of campaign politics it says, 'In the beginning was the word, and the word was money.' But the idea that there is some gargantuan amount of money that one must raise in order to be a competitive candidate for president remains to be proven."

While Mr. Barbour holds the view that a lower-budget candidate could catch the public's imagination and capture the nomination, that has not happened in modern history.

Stan Huckabay, treasurer of George Bush's campaigns in 1988 and 1992, who has completed a study of presidential fund-raising, said the general rule was that "the person who

raised the most money in the pre-election year since 1976 has won the nomination." The exception was John B. Connally, the former governor of Texas, who outspent his rivals in his failed 1980 effort.

Alec P. Courtelis, a Miami builder who headed Mr. Bush's fund-raising operation and is finance chairman for Mr. Gramm, noted that in the compressed schedule, 70 percent of the delegates will be chosen in seven weeks. He said he was on "a very short fuse."

"This is my fifth presidential campaign, and I have never seen it happen without the money," he said. "If you don't have gas, you can't push the car very far."

Robert A. Mosbacher Sr., Mr. Bush's head fund-raiser and then his commerce secretary, said some candidates were

overemphasizing their fund-raising advantages.

"Some people would like to scare everybody else out of the race," he said. He said he was holding out for James A. Baker 3d, the former secretary of state, who is considering running.

Candidates who amass large sums early can also feed the perception that they are gaining steam, as Michael S. Dukakis, then governor of Massachusetts, did in the 1988 Democratic primaries.

Though Mr. Alexander is little known nationally, he has already assembled an impressive fund-raising team, which is being led by Ted Welch, who was a fund-raiser for Ronald Reagan and Mr. Bush. The Alexander campaign has also recruited other senior fund-raisers from the Bush or Reagan campaigns. Mr. Alexander has scheduled

23 fund-raising events from March 6 to April 15.

By contrast, Mr. Gramm has high hopes for a single fund-raising extravaganza he plans to hold in Dallas on Feb. 23, the day before he formally declares. "Anything in the range of \$2.5 million would be an incredible start," he said.

★ POLITICAL NOTES ★

All's Fair in Love, War and Congress

WASHINGTON — Programs have friends, but bureaucrats do not, so focus your fire on the bureaucrats. Hold on to the moral high ground.

When Democrats attack Republican budget cuts as unfair, says Frank Luntz, a Republican pollster, "We must match our opponents story for story — the personal and national immorality of passing along increasing debt to our children and future generations, versus their budget-cutting boric stories."

Mr. Luntz's advice was contained in a strategy memorandum circulated among Republicans on Capitol Hill.

The memorandum gives a glimpse of the coming struggle over the budget, and tries to analyze how Republicans can counter the expected Democratic critique and win the war for public opinion.

In one sense, this memorandum is about taking back our language and turning the issue of "fairness" against the Democrats. "For example, why don't we begin to ask: Is it fair for Medicare recipients to have even greater choice of doctors and facilities than the average taxpayers who are funding the system? Is it fair to give student loans for truck driving schools? Is it fair to penalize middle-class families for saving for the future? Is it fair to leave battered children in abusive homes?"

A repeated theme of the memorandum is that Republicans must present their budget-balancing in a moral context. "The moral force for balancing the budget must be stronger than the pseudo moralists who will decry specific budget cuts," it says. "Our enemies are already gathering their stones. The New York Times has taken the lead, running two full pages of pictures of homeless people sitting through dumpsters for food. NBC's Tim Russert is a close second, depicting the humanity of the Republican cuts even before knowing what they are." (Robin Toner, NYT)

Lawmakers Give Reinvention a Pass

WASHINGTON — What if you held a seminar for Congress and hardly anybody showed up? The National Association of Manufacturers found out during a three-hour marathon at which business experts were supposed to tell members of the Senate and House how to remake government in the corporate image.

"More than 100 members of Congress and their staff learned how to change government and make Washington work," enthused a manufacturers' news release before the seminar, "by applying management and efficiency principles that the private sector has embraced with extraordinary results."

In fact, only four members of Congress showed up. The Senate majority whip, Trent Lott, Republican of Mississippi, dropped in for 10 minutes, smiled and left, missing the entire presentation after congratulating the manufacturers on what he hoped would "maybe" be "an historical meeting."

Maybe not. The manufacturers, whose members filled the audience, had nothing at all to say about remaking government. What they talked about was the great job American business had done to become globally competitive and what it needed to do to stay on top. The main speaker was Tom Peters, author of the best-selling "In Search of Excellence," who held forth on such second-stage themes as "beyond decentralization," "beyond empowerment" and "beyond change."

At one point, Dana G. Mead, chief executive officer of Tenneco Inc., "departed from the conventional wisdom" to say that "one of the primary functions of leadership is to set goals from the top." He urged corporate types to "face reality." By that time he was pretty much facing an empty room. (Guy Gugliotta, WP)

Quote/Unquote

Mayor Marion S. Barry of the District of Columbia as he reported that the capital was facing a staggering \$722 million projected budget shortfall: "This city is in shock. No one wants to see this kind of news. This is the most serious financial crisis since 1873." (WP)

House Republicans Win Effort to Ease Burden on States

By Kenneth J. Cooper
Washington Post Service

WASHINGTON — The House has given an overwhelming bipartisan endorsement of legislation intended to discourage Congress from imposing regulatory burdens on state and local governments without providing money to carry them out.

The legislation on so-called unfunded mandates was approved 360 to 74 on Wednesday, and then sent to a House-Senate conference to resolve minor differences with a Senate version passed last week. President Bill Clinton indicated last week that he supported the bill.

Both versions abandoned the outright prohibition on unfunded federal mandates that House Republican candidates had promised in September in their "Contract With America." Instead, the legislation would require Congress to give cost estimates of proposed new regulations.

Supporters suggested that by calling attention to the costs of proposed mandates, the legislation would discourage lawmakers from bringing them up or make it easier to defeat such proposals on the floor.

"This was sort of a message, 'Stop us before we mandate again,'" said Representative William F. Clinger Jr., a Pennsylvania Republican who is chairman of the House Government Reform and Oversight Committee. "If we are going to

impose a mandate, the preferred option is to fund it."

Under budget constraints during the late 1980s, the Congress, then controlled by the Democrats, passed the costs of federal regulations and mandates to other government entities, consuming more and more of their budgets.

Governors have chafed under such mandates, which made more of the poor eligible for Medicaid, the state-federal health program, while local officials have complained about the costs of enforcing the water pollution regulations imposed by the Environmental Protection Agency.

During debate on the measure, Democratic critics asserted that even though the House legislation did not affect existing laws, its restrictions would eventually undermine congressional efforts to help vulnerable citizens, protect against environmental threats or meet other urgent national needs.

Representative Cardiss Collins of Illinois, the ranking Democrat on the Government Reform Committee, said that the unfunded mandates bill "places Congress in a straitjacket" and represents "a mean-spirited effort to abandon those most in need."

Both versions exempt civil rights, disaster relief, national security and Social Security retirement benefits from their provisions.



GOOD NEWS FROM PHIL — Poxsuntawney Phil being held aloft by his handler Thursday after emerging from his burrow on Gobbler's Knob in Poxsuntawney, Pennsylvania. Phil apparently failed to see his shadow this Groundhog Day, for only the 10th or 11th time in 108 years, so legend has it that spring is just around the corner.

Away From Politics

- The New York City Police Department is investigating 20 officers in the central Bronx who are suspected of beating up, harassing, selling narcotics and stealing money from drug dealers during the last three years, law enforcement officials said. (NYT)
- Six bald eagles died in southern Wisconsin last month from what appears to be accidental poisoning, a wildlife official said. Testing is being done to identify the poison that might have killed them, the official said. It doesn't appear that the birds were poisoned on purpose. Killing an eagle, a protected species, can result in a one-year prison sentence and a fine of up to \$100,000. (AP)
- The adoptive parents of a child known as "Baby Richard" have asked Supreme Court Justice Sandra Day O'Connor to delay an order giving custody of the boy to his biological father. If a delay is granted, it would give attorneys for the adoptive parents and the child time to appeal an Illinois Supreme Court ruling that the boy should go to his biological father, who has never seen him. (AP)
- After completing hasty repairs to a malfunctioning navigation unit, NASA said it hoped to launch the space shuttle Discovery on Friday for a rendezvous with Russia's Mir space station. Technicians hurriedly replaced a navigation unit that would not turn on, preventing the shuttle from taking off. (Reuters)
- A Florida woman whose elderly uncle was killed and dismembered by an alligator is suing a Palm Bay nursing home for negligence. Cubie Harris, an 84-year-old patient prone to spells of disorientation, wandered away from the Palm Bay Care Center last February. Jeannie Willis's suit accuses the nursing home of violating her uncle's rights by failing to monitor him at all times. (Reuters)

Simpson Prosecution Witness Admits to Drinking Problems

LOS ANGELES — A friend of O.J. Simpson's who claimed that Mr. Simpson told him about dreams of murder acknowledged Thursday that he

suffered an alcohol problem, was treated by a psychiatrist and left his police job because of stress.

The witness, Ronald Shipp, testified in the second day of

cross-examination by the defense, which was trying to discredit him by portraying him as a lying celebrity hanger-on trying to advance his acting career by linking himself to the Simpson case.

Later, when questioned by the prosecution, Mr. Shipp said he was, in fact, a close friend of Mr. Simpson's, one who arranged the security for his wife's funeral and one who "never asked O.J." for anything.

"To this very day, I don't have an autographed picture of O.J. Simpson," Mr. Shipp said.

He said he has refused to take money to tell his story about the dream conversation.

"I personally felt that was blood money," Mr. Shipp said. Under questioning from Carl Douglas, a defense lawyer, Mr. Shipp insisted he was telling the truth when he said Mr. Simpson told him about dreams of killing Nicole Brown Simpson in a conversation the day after her murder and that of her friend Ronald L. Goldman.

Mr. Douglas suggested, however, that Mr. Shipp was lying, asserting that Mr. Shipp recounted Mr. Simpson's discussing the bloody glove allegedly found on the Simpson property even though, at the time, the police had not told Mr. Simpson about the glove.

Mr. Shipp said he did not know what the police had told Mr. Simpson, but was confident about the nature of his conversation with him.

"I know what I heard," he said.

Earlier, Mr. Shipp said his drinking problem "got out of hand" in 1983, leading to a 15-day suspension. The problem ended, he said, when he left the Los Angeles Police Department in 1989, but he noted that he had got drunk on occasions in the years since.

He denied being drunk, or even drinking, the night he claims Mr. Simpson talked about dreams.

Mr. Shipp also revealed that he was seeing a psychiatrist in 1989, and that he referred Mr. Simpson to the same psychia-

trist after Mrs. Simpson was beaten on New Year's Day 1989.

Asked why he left the police department that year after 15 years on the force, Mr. Shipp cited the stress of the job.

"To be perfectly honest, my wife can verify this and my family, I was burned out. I didn't know what the heck I was going to do," Mr. Shipp said. "But I left the job because I was burned out."

He admitted that while he was still an officer he brought officers to Mr. Simpson's house to show off "all the trophies, everything he had there."

But he denied that one of those officers was Detective Mark Fuhrman, who would later say he found a bloody glove at Mr. Simpson's house.

In an interview broadcast Thursday, another Simpson attorney, Johnnie L. Cochran Jr., said that even if Mr. Shipp's claim about the conversation were the truth, "which it is not," dreams are not the proper subject for a trial.

"What about all these wonderful dreams that I'm sure O.J. Simpson must have had in the times he loved his wife?" Mr. Cochran asked on NBC's "Today" show. "It doesn't make any sense."

The prosecutor, Marcia Clark, argued Thursday morning: "But, in fact, you know, I think Walt Disney said it best. I think, what was it, 'Sleeping Beauty'? A dream is a wish your heart makes."

The line is actually from the movie "Cinderella."

Germans Don't Want TV In Courtroom, Poll Shows

BONN — Three-quarters of German viewers do not want television cameras in their courts to broadcast trials like the O.J. Simpson murder case now dominating the U.S. airwaves, a poll showed Thursday.

But only half of them are certain they would not turn on their sets if German television offered dramatic live court coverage, according to the poll, in the weekly Die Woche. One-quarter said they would definitely tune in. The rest were undecided.

The ratings for the Simpson trial in the United States, where up to 30 percent of all Americans are said to be watching the gavel-to-gavel coverage, has prompted some German media executives to call for court television.

Television is now allowed to air only short statements in the Federal Constitutional Court, Germany's supreme court, announcing important rulings.

Southern States Lead U.S. In Number of Homicides

WASHINGTON — The nation's Southern states lead the country in the rate of homicide and the industrialized world, the most murder-prone nation in the industrialized world, according to a new study.

Seven of the 10 states with the highest per-capita murder rates are in the South, according to a report released by the Population Reference Bureau Inc. In 1992, Louisiana led all states with 18.5 murders per 100,000 people, followed closely by Mississippi with 17.5 murders per 100,000 people. Virginia was 8.9 per 100,000, slightly lower than the national average of 10 murders per 100,000 people.

The study, based on data compiled by the National Center for Health Statistics and the FBI's Uniform Crime Report, portrays a "subculture of violence."

About 70 people are killed each day in the United States, the report which averages about 25,500 homicides each year, the report concluded. The U.S. homicide rate was 17 times that of Japan or Ireland, 10 times the rate in Germany, France or Greece, and five times the rate in Canada.

Young African-American males are more likely to be killed than any other segment of society. African-Americans of all ages made up half of the nation's murder victims, although they constitute only about 12 percent of the population.

Second Day of Talks Brings Progress But No Accord in Peru-Ecuador Fight

Compiled by Our Staff From Dispatches

RIO DE JANEIRO — Delegations from Peru and Ecuador attending peace talks here met face-to-face for the first time Thursday but failed to reach a firm agreement to halt their armed border dispute, a diplomat said.

After 15 hours of meetings, Brazil's deputy foreign minister, Sebastião do Rego Barros, said "considerable advances" had been made in the second day of talks to end the weeklong conflict but that no accord had been reached.

While the talks took place in Rio, President Alberto Fujimori of Peru went on television to propose a cease-fire and the creation of a demilitarized zone.

On Wednesday, clashes were reported in the Concha River region, on the eastern edge of the Andes, where fighting broke out last week. Ecuador asserted that Peruvian troops attacked two of its positions.

Since fighting began Jan. 26 in the Cordillera del Condor region on the Peru-Ecuador border, Ecuador says it has killed 27 Peruvian soldiers and lost four of its own men. Peru says that five of its soldiers were killed and that two were wounded.

The dispute is over 340 square kilometers (130 square miles) of jungle whose borders have yet to be marked as called for in the 1942 Protocol of Rio de Janeiro, which sought to put an end to the two countries' claims to the area.

In 1960, Ecuador rejected the protocol, and border conflicts have frequently occurred around the Jan. 29 anniversary of the treaty.

A diplomat involved in the Rio talks said Ecuador was insisting on a clause that would open the possibility for a renegotiation of the terms of the protocol before agreeing to a cease-fire.

Mr. Rego Barros refused to discuss details of the negotiations. (Reuters, AP)



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INTERNATIONAL EDITION

OPINION

Burma Smashes the Rebels, With Thai and Chinese Help

By Philip Bowring

HONG KONG — It doesn't look like much. But Myanmar, a hutted township protected by hills and by the river that forms Burma's border with Thailand, is every bit as symbolic to the Karen minority of Burma as Grogny is to the Chechens. So when it fell last week to Burmese government forces, it was not just a major setback to the oldest and toughest minority rebellion against ethnic Burmese rule; it was a wider political victory for Burma's military junta, the State Law and Order Restoration Council.

It was a victory, too, for China, which has long backed the Burmese junta with arms, money and diplomatic clout. It is a victory for those in Thailand and other Southeast Asian countries that want to do business and promote dialogue with Burma's military government. It is a defeat for Western countries — the European Union as much as the United States — that have tried to isolate the Burmese junta. And it is a defeat for those democratic forces in Burma that have sought and received support in the West, and for those Burmese who have made common cause with minority groups seeking to unseat the government in Rangoon.

Manerplaw had become a refuge for students and assorted dissidents opposed to the military regime, as well as for the Karens.

The Karens may yet snap back. They have been in a state of rebellion almost since Burmese independence in 1948. But for now, the junta has gotten the better of them. Squeezed on all sides, Buddhist and Christian Karens finally split apart.

The capture of Manerplaw leaves the heroin empire of the warlord Khun Sa as the only significant part of Burmese territory not controlled by the junta. But Khun Sa is formidably armed and still has friends in Thailand. He poses no political threat to Rangoon. The junta is unlikely to challenge him.

The Burmese junta had recently managed to enhance its standing abroad. Even the United States is likely, after a decent interval, to speed up tentative steps toward dialogue with Rangoon.

China has reaped dividends from siding with the Burmese junta — and selling it large amounts of artillery, helicopters and other arms. Chinese pressure has induced other minorities along the common border to find accommodation with Rangoon. Trade opportunities with China (timber, gems and drugs in exchange for consumer goods) have made these arrangements profitable.

The Burmese junta is grateful to China for enabling it to get a better grip on its minorities. And China has extended its political influence to the Andaman Sea (to the discomfort of India). The Chinese commercial presence is increasingly conspicuous in north-central Burma.

The Thais, meanwhile, are again on good terms with Rangoon. Thailand's policy of making it difficult and costly for the Karens to get weapons and supplies was one reason for the fall of Manerplaw.

In the past, Thailand saw reason to keep alive rebellions against its ancient foe, Burma. No longer. While Karen refugees have been allowed sanctuary across the border, fighters have been disarmed.

In part, this is because Thailand's Burma policy is no longer run by the military; Prime Minister Chuan Leekpai is now in charge.

Thailand also owes has a wider agenda: to develop commercial links with Burma and to be in a position to profit from the economic recovery that surely will come. (Forty years ago Burma was richer than Thailand, a nation of similar size. Now its gross national product is less than one-third that of its neighbor.)

Some in Southeast Asia hope that engagement with the Burmese junta will lead to economic and political renewal. And in theory, the junta welcomes foreign trade and investment. But it has done almost nothing to emulate China (or Vietnam) with basic economic reforms.

Government controls stifle all sectors. The market exchange rate for foreign currency remains a fraction of the official one. And foreign investment has been mainly confined to hotels and oil exploration.

Policies in Burma are made not by technocrats with a coherent development program, but by military men with a view to maintaining the status quo. There is scant sign of the economic progress that might at least partially compensate for suppression of the popular voice.

Political change is glacial. The junta now faces few real threats. But it is unwilling to contemplate moves toward reconciliation that eventually might force a sense of real national purpose.

It is possible that as the junta begins feeling more secure, it may be prepared to contemplate change. But it is probably more likely that, post-Manerplaw, it will feel even less reason to go beyond tinkering with a system that has been in place for 33 years.

International Herald Tribune



Ethnic trophies.

LETTERS TO THE EDITOR

Burma: Open the Curtains

The recent comment on your Opinion Page from The Nation of Bangkok ("Turn Up the Heat on Burma," Feb. 1) rightly concludes that progress in Burma will remain a will-o'-the-wisp so long as the ruling State Law and Order Restoration Council refuses to implement international calls for the unconditional release of Aung San Suu Kyi and other political prisoners. Reform in Burma has particular urgency now. The junta is engaged in a large-scale program of development, and many projects are expected to have a major impact on the environment. Informed observers are convinced that many of the affected areas are ripe for ethnic conflict. Neither reconciliation nor responsible long-term development can take root in Burma without an extensive and unencumbered national debate, involving all political and ethnic groups.

FRANCES D'SOUZA
Executive Director,
Article 19, London.

Carter's Useful Role

The editorial "In and Out of Haiti" (Opinion, Jan. 4) is remarkable for its omission of any reference to, or acknowledgment of, the role of former President Jimmy Carter in bringing a peaceful solution to the

Haitian problem. Considering the alternative of armed intervention, the human cost of civilian and military casualties, and the economic cost of invasion and occupation, it is difficult to understand why the contribution of this good and decent man cannot be recognized.

JEROME RANDALL
Prague.

Long Live a New UN

Regarding "Dozens of Plans but Little Reform as UN Nears 50" (Jan. 4) by Julia Preston:

The United Nations' meager achievements and scanty efforts to live up to the ideals that launched it are painfully overshadowed by external failures and internal intrigues. No amount of reform — anathema to its self-serving officials — will do away with the incompetency, arrogance, nepotism and corruption. Should we not scrap all but the ideals and start over again?

KIM J. LOROCH
Hamburg.

Nijinsky's Last Dance

Regarding "Nijinsky's Writings: Dancer's Obsessions on Display" (Features, Jan. 25) by Alan Riding: Nijinsky danced here at the Palace Hotel in the Embassy Ballroom (a

The Tiger and the Rape of Manila

By Denis Warner

MELBOURNE — Late in the afternoon of Feb. 3, 1945, the U.S. 1st Cavalry Division was closing in on Manila. Hopes were high that the city would fall to General Douglas MacArthur's forces without bloodshed or damage.

To the evening, an American tank crashed through the gates of Santo Tomas University. The university, established by the Spanish in the early 1600s on the north bank of the

1945 PACIFIC 1995

Pasig River, had been turned into a concentration camp.

The internees were jubilant at their release. As U.S. forces pressed on toward the center of the city it seemed that the recapture might be painless. Yet a month later, the Philippine capital was in ruins.

General Tomoyuki Yamashita, the "Tiger of Malaya," had arrived in the Philippines to take command of the Japanese defense just before General MacArthur landed at Leyte in October 1944. With the U.S. forces coming, he withdrew from Manila with his 14th Army to the mountains east of the city. The aim

was to threaten the U.S. forces advancing from Lingayen Gulf.

General Yamashita, the most able of Japanese army commanders, had demonstrated his offensive skills in a lightning drive through Malaya in late 1941 and early 1942 to capture Singapore.

In retrospect, it is hard to fault his defensive strategy in the Philippines. When he withdrew from Manila, Japanese navy forces, which had not come under his command, remained in charge. They were supposed to pull out when the city came under attack and to join his 14th Army in the mountains.

As General Yamashita was aware, the defense of Manila would have been pointless and futile. After the destruction of the Japanese fleet in the Battle of Leyte Gulf in October, and with his air forces decimated and cut off from reinforcements, he must have known his task was hopeless. He nevertheless fought an effective delaying action, impeding the U.S. advance from Lingayen.

However, relations between the Japanese army and navy were strained at the best of times during the war. Despite his instructions to withdraw and join General Yamashita's forces, the naval commander in Manila decided to fight to his last man and, if need be, the last Filipino.

The night the Americans entered the city, Japanese navy troops retreated across the Pasig River and blew up all the bridges. The 30-day battle for Manila had begun.

The devastation that followed was not on the scale of the Rape of Nanking in China. But at least 50,000 Filipinos died, many in acts of deliberate atrocity by the Japanese. Manila, with its stately buildings and Corinthian columns, had been one of Asia's most gracious cities. It was now largely rubble, its inhabitants shocked, hungry and homeless.

Of the 20 million people living in the Philippines at the start of the war, an estimated 1 million were killed during the Japanese occupation. The outside world knew little of this. But what happened in Manila in February 1945 had an impact on American and Allied thinking that rivaled the effect of the hideous Bataan death march, when hundreds of American prisoners and thousands of Filipinos were massacred by the Japanese.

When the war ended in August 1945, General Yamashita was still holding out in the mountains beyond the town of Baguio, his original force of nearly 300,000 reduced to 50,000. The naval forces in Manila did not come under his command. He had given no orders for

the city's defense and had lost communication before the battle began. But his trial as a war criminal was no doubt an inevitable consequence of the rape of Manila.

The proceedings were held in the powder-blue ballroom of the partly wrecked residence once occupied by the U.S. high commissioner. Military police with starched shirts and long white gloves stood at every entrance. Beneath large twin chandeliers, and facing the lofty French windows leading to a patio and beyond to Manila Bay with its hundreds of sunken ships, sat Major General R. B. Reynolds, the presiding judge, flanked by four other generals assigned to the trial.

With rows of medals on his dark green uniform, and his shaven head shining under the arc lights, General Yamashita sat with his American defense attorneys. Convinced that he was innocent of the charges, they wanted more time to prepare the defense. Permission was refused.

The trial certainly brought out all the horrors of the closing days of Japanese authority in Manila. But because the case was so hastily prepared, much of the evidence related to what had happened in the city during February 1945. It seemed to some of us reporting on that trial that General Yamashita could scarcely be held accountable, even for command responsibility, in that terrible period.

The first witness was a woman, Noble, a film star in the Philippines. She told how her baby had been stabbed to death in her arms by a Japanese soldier. Witness after witness added ghastly details. One witness carried a stone in her blouse and tried to throw it at the impassive General Yamashita. Many witnesses broke down and sobbed. Their evidence, and their tears, were as much of hate as sorrow.

The hearing lasted 42 days. When the court retired to consider the verdict, it was clear that a sentence of death by hanging was a mere formality. The sentence was carried out on Feb. 23, 1946, near Manila.

No doubt there were many offenses for which the Japanese general might have been tried. Justice on this occasion was perhaps not very kind. But it reflected the emotions and attitudes of the Allies as prisoners of war, emaciated and tortured, emerged from Japanese captivity to tell tales of horror. It lent credence to the ill-informed notion that the Japanese were inhuman fanatics and that in fighting them, the end justified the means.

The writer, who covered the war in the Pacific for Australian and British newspapers, contributed this comment to the International Herald Tribune.

BOOKS

WHAT THEY'RE READING

• Daniel Mawrin, the maître d' of the Paris brasserie Bofinger, is reading "La Gloire de mon père" by Marcel Pagnol. "My family is from the French countryside in Provence, but I have always lived in Paris. 'La Gloire de mon père' lets me relive the stories my grandfather used to tell me when I was young."

(John Brunton, IHT)



bed and breakfasts in upstate New York are operated illegally because "most cannot comply with fire codes specifying enclosed fire stairs and other requirements for 'multi-story transient lodging' that were written with motels in mind. By law, such bed and breakfasts will either have to be rebuilt at a prohibitive expense or face going out of business."

Stories like these abound in "The Death of Common Sense," stories of inflexible rules, of pointless but costly regulations, of bureaucratic paralysis and of conflicting demands for equality. In fact, the repetition of horror stories seems to be the organizing principle of Howard's tract.

Yet from his many stories he draws lessons of bow such a

presumed impasse was arrived at. America's desire for a perfect system of laws, he writes, "comes directly out of the Enlightenment," when "the philosophy of rationalism" held "that a natural order in government could be found similar to the order that Isaac Newton thought he had found in nature."

With the New Deal, he continues, "statutes began to dominate the legal landscape, providing job relief, welfare programs and Social Security; agencies like the Securities and Exchange Commission were created as part of a broad plan to regulate the economy."

But in the 1950s, he continues, "the abuses of McCarthyism and civil rights violations in the South had led... to a heightened distrust of government officials" that developed "overpowering momentum during the counterculture revolution" in the 1960s.

Howard singles out two people for promoting a greater reliance on law: to a minor extent Theodore J. Lowi, who in his book "The End of Liberalism: Policy and the Crisis of Public

Authority" (1969), in Howard's words, "saw greater specificity as the antidote for special interest groups."

And to a major degree he blames Charles A. Reich, the Yale professor who wrote "The Greening of America," for two influential articles that appeared in the Yale Law Journal, "The New Property" (1964) and "Individual Rights and Social Welfare: The Emerging Legal Issues" (1965).

These writings redefined individual rights as property requiring the respect of government. "Government should gain no power," Reich asserted, "by reason of its role as a dispenser of wealth."

In Howard's view, this was a confusion of power with freedom, and after what was once considered "rights against law," or in James Madison's words "rights against all government encroachments," to what Isaiah Berlin has defined as the right to anything. More succinctly put, rights were changed from a shield to a sword.

An effect of this change in the author's view, has been the opposite of what was intended. With so many rights competing, no one has any rights. With too many laws on the books, there is no law. With so many weapons to fight hatred, everyone fights one another and hatred increases.

"Creating rules without flexibility is just a version of central planning," he writes.

What Howard is trying to do with this thoughtful little book is drive us all sane.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott
HENRY Lasot and Eddu Manoppo faced the diagrammed deal in the Indonesian Club Championships, sitting East and West.

The ideal contract is six trump by South, with six clubs from either side a close second. But North-South climbed to six hearts, as many would do, starting with a natural two-club bid and an artificial two-diamond response.

South won the opening spade lead in his hand and routinely led a trump, play-off for West to have the heart jack. That led to a quick defeat. A better play would have been to enter dummy with a diamond lead and play a trump toward the queen. If East had produced the ace, South would have had to guess whether East's original holding was a singleton ace or A-J doubleton.

As it happens, East would have played the nine and South the queen. South might well survive if West took the ace. Since an original J-9 doubleton with East would seem more likely, on restricted choice, than

NORTH			
♠ 2	♥ K 10 4	♦ K 10 8 5	♣ A
WEST (D)			
♠ 10 8 7 5	♥ A 8	♦ 8 6 2	♣ 7 5
EAST			
♠ K J 6 4	♥ J 9	♦ 8 6 2	♣ A 4 3
♠ A Q 3	♥ Q 7 5 3 2	♦ A J 4 3	♣ A

Both sides were vulnerable. The bidding:
West: 2♣
North: 2NT
East: 4♥
South: 6♥

West led the spade ten.

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Cutting Corners, a Mixture of Style and Luck

By Roger Collis
International Herald Tribune

PEOPLE often ask: "You hand out all this advice about cutting travel costs; but how do you buy your own travel?" Good question. You may be pleased to know that I'm not as smart as I seem. I shop for a deep discount fare only to buy an expensive one-way ticket home because I need to change the flight; I cannot always muster the chutzpah to talk down a hotel room rate on the phone, and I find myself paying the walk-in rate at a car rental desk when I could have saved 60 percent by booking the day before.

Value doesn't always depend on how much you spend; there are times when spending a little more can yield a great deal of extra comfort and convenience. Here are some ways to help you (and me) stay ahead of the game.

It sometimes pays to pay full fare if you really need the freedom to switch flights and carriers, make unlimited stopovers, and benefit from IATA "fare construction" devices. You may also qualify for 24-hour stopover packages at airlines' major hubs; two-for-one promotions, upgrades and higher mileage credits. Otherwise shop for a consolidator ticket (consolidators often specialize in different destinations), which can cut the cost of full-fare travel on long-haul routes by up to 60 percent. You can change flights, but not carriers.

Worst buy is a full economy ticket — unless you use it as a means to a free or low-cost upgrade with frequent-flyer credits. If you have to sit in the back of the plane, shop for the deepest discount ticket you can find — which can be as low as 30 percent of the full economy fare.

If you are traveling at least half way

around the world, an RTW fare can save you about 40 percent in first, business or economy with all the stopovers you need. Look too for "Circle Asia" fares, from North America or Europe, with similar savings. (From New York, for example, you can visit six capitals in Southeast Asia for less than \$1,000.) All the major U.S. and Canadian carriers, and many in Europe, South America and Asia, market air passes to foreign visitors that can save up to 70 percent on the normal economy fare.

Traveling within Europe, look for airlines with a single-cabin service — often better than life in front of the curtain on other carriers. Air UK, which flies to 19 cities in Britain and the Continent, from London (Stansted) offers business-class food and service to all passengers, whatever fare they've paid. Transwede operates a similar service between London (Gatwick) and Stockholm. Air France and Sabena offer gourmet meals on single-cabin service between London City Airport and Paris and Brussels.

Savvy travelers often choose an airport first and an airline second. One choice often determines the other depending on where you live. So choose your megahub — or gateway — carefully, and decide where you want to change planes, at the start or end of your journey. When you have to make a connection, choose a user-friendly bnh where you don't have to walk a mile between gates or catch a bus to another terminal.

Don't assume that the best way to travel is with your national carrier. "Cross-border hubbing," where you fly a foreign airline via its main hub, can be faster and more convenient — especially if you have to change anyway — and save you up to

50 percent of nonstop flights from your point of departure.

Traveling from Bristol to New York, your best bet is to go through Dublin with Aer Lingus. Ask somebody who lives in Norwich what is the fastest, cheapest and most civilized way to get to New York, and they'll tell you to avoid Heathrow and travel Air UK to Schiphol, then KLM (or Delta) to JFK. From Hamburg to Hong Kong or Tokyo, SAS via Copenhagen is faster and cheaper than Lufthansa via Frankfurt.

Having the run of an airport lounge is a big factor in alleviating terminal misery. But it's hard to get into one unless you're traveling first or business class or have "elite-level" FFP credentials. However, U.S. airlines are obliged by law to offer club membership. American's Admiral's Club; Delta's Crown Room Club and United's Red Carpet Club cost about \$200 in annual dues. Well worth joining if you're flying their way.

The International Airline Passengers Association (IAPA) has a lounge program called Priority Pass: members pay dues of \$75 plus \$21 per visit to 80 lounges worldwide. Expensive. But what price do you put on a port in a storm? Check whether a lounge is "airside" or "landside." The key to relaxation is being a few yards from the gate when the flight is called. Diners Club members have free access to 55 airport and business lounges worldwide.

NEVER pay the rack rate or walk-in rate at an expensive hotel. Every traveler should belong to at least one half-price hotel program. For a fee, you get a directory listing about 1,000 hotels that offer members a 50 percent discount subject to availability. But whatever discount you're offered, it's always a good idea to call the hotel directly to ask about special offers or weekend promo-

tions, which may not make it into central reservations. Always ask for the net rate: The discount may apply only to high-price rooms or an inflated rack rate.

What you save by cutting a deal on the room may disappear on hotel services. Laundry can cost more than you paid for the garments, room service menus are padded well above restaurant prices, and minibars are an unashamed gouge. Breakfast, especially Continental breakfast, can be exorbitant. You may find a nearby café cheaper and more congenial.

Which is a good reason for choosing a hotel on location as well as price. It's worth paying a bit more to be closer to where you need to be. No need for taxis. And nothing beats being able to walk to the office, restaurants and shops. I sometimes choose a hotel that is close to the airport bus or a subway station.

Next time you need a hotel for more than a couple of days, consider a serviced apartment: a two-room suite for 25 to 50 percent less than a standard hotel double — and more than twice the space. Plus you have a kitchen and refrigerator so that you can bring in your own food and drink at sensible prices.

Avoid outrageous hotel phone charges (markups of 900 percent or more) with a telephone charge card. I use a BT charge card in Europe and an AT&T card in the United States.

Some travelers use a mobile phone that works on the new GSM (Global System for Mobiles) digital network that enables you to make and receive calls nearly anywhere. Calls are more expensive than fixed phones, but far cheaper than calling from a hotel room. One way to beat the system is to use a callback service on your mobile. The incoming call cannot distinguish between a mobile and a fixed phone. So you'll only be paying around 30 cents a minute from London to New York.

The Florence Connection

By Ken Shulman

FLORENCE — This city has always been one of Europe's most popular destinations, long before Condé Nast proclaimed it America's favorite tourist spot for 1994. And, until recently, it was one of the most difficult spots on the Continent to reach. Jet-lagged travelers arriving overnight from New York or Los Angeles were forced to land at Rome, and then to brave a 50-minute cab ride to Rome's Termini train station, followed by a two- or three-hour rail trip to Florence. The transfer time was even longer for those visitors who landed in Milan. By the time most tourists arrived in the city of the Medici, they couldn't see Brunelleschi's famous dome or the gold-beckoned Ponte Vecchio through their leaden eyelids.

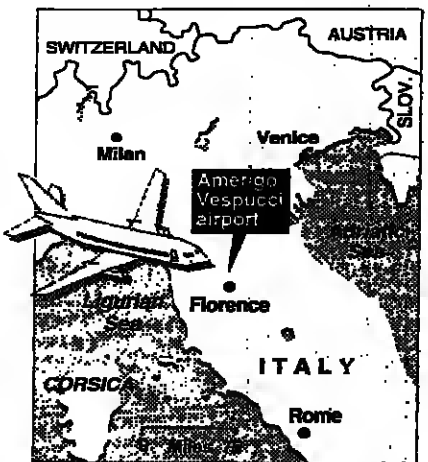
Today, after a long and lingering battle, Florence has a legitimate airport, with direct flights to most major European cities, and excellent connections to North America, South America, Africa and Asian destinations.

"A city like Florence cannot afford to be without an airport," said Florence's mayor, Giorgio Morassut, at the Dec. 17 inauguration of the new Amerigo Vesputi airport passenger terminal. "This is the victory of those who believed in our project. And all those who tried to block our progress are now in hiding."

Apart from the typically Italian political infighting and inertia that saddles public works projects all along the peninsula, the opposition to the expansion of the Florence airport was essentially based on environmental grounds. Concern over the environmental impact of the air traffic may have been legitimate, although the pollution created by 20 turboprop and mini-jet planes each day is certainly negligible when compared to that produced by the thousands of automobiles that race down the nearby highway.

More cogent was the issue of a canal toward the end of the rather short, 1,400-meter (4,600-foot) runway, a canal airport officials wanted to dam in order to tack another 250 meters onto the landing strip to increase the safety margin. Officials from the town of Sesto Fiorentino had successfully impeded the project, citing, and rightfully so, the enormous ecological and hydrological damage the city would suffer if the canal were blocked. Their protests were eventually accepted: the new project to expand the landing strip includes an additional \$1.5 million, the cost of diverting the waterway.

The new terminal, it must be said, is ugly, with its opaque Florentine violet columns and counterweights and pink encaustic tile. Yet more significant than its aesthetics, the terminal is only marginally larger than the temporary station it replaces, although passengers will no longer have to stand on each others' toes while jostling for a shot at the



minuscule luggage belt. The new terminal also includes a 640-slot parking lot. It is still a 20-minute cab or bus ride to the Santa Maria Novella train station.

"The new terminal is born inadequate," admitted Antonio Romoli, director-general of the airport, "because it was designed in 1987, when no one could have predicted the enormous expansion of passenger traffic that has occurred."

Enormous indeed. Between 1990 and 1994, passenger volume at Florence increased from 166,000 to 650,000. Today there are flights to and from nine Italian cities, including three daily with Rome and Milan, and Florence has plugged into an international network that links it to 12 European cities, including Paris, Brussels, Frankfurt and London, all with ready transfers to cities across the globe.

BUT there are still problems to be sorted out. The airport lacks a radio-assisted ILS air-traffic system, meaning that poor weather can detour a Florence-bound flight to Bologna. It also lacks a functional taxiway; planes have to roll down to the end of the runway, turn around, and then take off.

There are a few more pressing issues. While most of the international destinations are served by the quadri-jet BAe-146 airplane, many national flights are still executed by the ATR model whose safety record in icy conditions has raised concern among American pilots. An additional safety issue was flagged by the Florentine union of police, which claimed that security measures for checked baggage was lax at Amerigo Vesputi.

"We are learning as we go along," said Valentino Giannotti, president of the airport. "Certainly when this airport was the size of a five-and-dime store, we didn't have these problems. Sometimes the psychosis of danger is worse than danger itself."

Ken Shulman is an American writer based in Italy.

THE ARTS GUIDE

AUSTRIA

Vienna
Wiener Staatsoper, tel: (1) 513-1513. Massenet's "Herodiade," conducted by Marcello Viotti, with Nancy Gustafson, Agnes Baltsa, Placido Domingo, Juan Pons, Ferruccio Furlanetto and Hans Helm. Feb. 12 (premiere), 15, 18, 25 and 28.

BELGIUM

Liège
Théâtre Royal, tel: (41) 23-67-85. Leonard Bernstein's "Candide," conducted by Robert Fortin with Jean-François Lapointe/Philip Salmon and Annick Massis/Constance Hauman. Feb. 10, 12, 16 and 19.

BRITAIN

London
Royal Academy of Arts, tel: (71) 494-5615, open daily, To April 2. "The Revival of the Palladian Style," 120 paintings, drawings, engravings and models, including work by Inigo Jones, Andrea Palladio and William Kent trace the evolution of Chiswick House's design and its setting within an "arcadian" landscape. Chiswick House was

Modern. A retrospective of the works of the Fauve painter.
Musée Dapper, tel: (1) 45-00-01-50, open daily, Continuing/To March 13. "Dogon," 90 works representing the diversity of art created by the Dogon ethnic group in Mali.
Musée du Luxembourg, tel: (1) 42-34-25-05, closed Mondays. Feb. 4 to April 17: "Peintures Italiennes du Musée des Beaux-Arts de Nantes," 70 works from the sixteenth and seventeenth centuries, including paintings by Guido Reni, Carlo Maratta and Castiglione.

GERMANY

Berlin
Neue Nationalgalerie, tel: (30) 266-26-53, closed Mondays. Continuing/To April 17: "George Grosz: Berlin-New York." A retrospective of 50 paintings and 250 works on paper. Grosz was a founding member of the Dada group in Berlin in the 1920s. His works depict life in his native Berlin and in his adopted second home, New York. The exhibition will travel to Düsseldorf.
Düsseldorf
Kunstmuseum Düsseldorf im Ehrenhof, tel: (211) 89-9-2460, closed Mondays. Continuing/To March 19: "Die Sammlung Kahleweil:

di Montecitorio (now home of Italy's parliament), and more than 100 paintings and sculptures selected from the chamber's extensive art collection.
Venice
Palazzo Ducale, tel: (41) 522-4047, open daily, To Feb. 28. "Homage to St. Mark," focuses on the theme of St. Mark, patron saint of Venice, his symbol and the diffusion of his gospel. It includes early codices, manuscripts and other objects brought from European museums and churches.

JAPAN

Nagasaki
Palace Huis Ten Bosch Museum, tel: (956) 27-0246, open daily, Continuing/To Feb. 15: "Masters of Utrecht: 17th- to 18th-Century Paintings from the Collection of the Central Museum in Utrecht." Paintings by masters of the Utrecht school of painting, with biblical or mythological themes. Modern Dutch paintings are also shown.

LUXEMBOURG

Luxembourg
Casino Luxembourg, tel: (352) 22-50-45, closed Mondays. Continuing/To March 28: "Luxe, Calme et Volupté: Regards sur le Post-Impressionisme." Major artistic themes of the turn-of-the-century are represented by more than 150 paintings. Includes interiors by Bonnard and Vuillard, still lifes from Cézanne to Odilon Redon, landscapes from van Gogh to Vallotton and portraits from Gauguin to Matisse.

NETHERLANDS

The Hague
Haags Gemeentemuseum, tel: (31) 70-338-11-11, open daily, Continuing/To April 30: "Piet Mondrian: 1872-1944." More than 160 paintings and works on paper documenting the Dutch painter's creative periods: the early landscapes, Cubist works and abstract works. The exhibition will travel to Washington and New York.

POLAND

Warsaw
The National Museum, tel: (2) 621-1031, closed Mondays. Continuing/To Feb. 19: "The Collection of Boleslaw and Una Nowicka: Works from the Nowicka collection, including 300 paintings, watercolors and drawings by Mela Mular. Also features works by Polish painters who spent some time in Paris early in the 20th century.

SPAIN

Madrid
Fundación Thyssen-Bornemisza, tel: (91) 368-0151, closed Mondays. Continuing/To Feb. 12: "El Siglo de Oro del Paisaje Holandés." More than 70 Dutch landscape paintings of the 17th century. Includes works by Hendrick Avercamp, Jan van Goyen, Ruysdael and the latter's nephew, Jacob Ruysdael.
Teatro de la Zarzuela, tel: 429-8225. Gluck's "Iphigénie en Taureide," directed by Benji Montresor, conducted by Antoni Ros Marba with Diana Montague Hakan Hagegard and Keith Lewis. Feb. 12, 14, 16, 18 and 20.

SWITZERLAND

Geneva
Musée d'Art et d'Histoire, tel: (22) 311-43-40, closed Mondays. Continuing/To May 7: "Icons: Donatien Mévromont." Icons from Crete, the Ionian Islands and Venice, dating from the 16th to the 19th centuries.
Musée Barbier-Mueller, tel: (22) 312-0270. To Sept. 30: "Parure." Jewels and ornaments from African, Indian and Indonesian tribes and populations.
Lausanne
Théâtre Municipal, tel: (21) 312-64-33. Verdi's "Falstaff," directed by Nicolas Joel, conducted by Jesus Lopez Cobos, with Alain Fendry and Jonathan Summers. Feb. 22, 24 and 26.
Martiigny
Fondation Pierre Gianadda, tel: (26) 22-39-78, open daily, To May 14: "Egon Schiele: Hüllis, dessins, et aquarelles." Dedicated to the work of the expressionist artist, this exhibition displays his preoccupation with death, insanity and sex.

UNITED STATES

Atlanta
High Museum of Art, tel: (404) 577-6940, closed Sundays. To April 15: "Commodity Image." Eighty works that exemplify the relationship between consumer culture and trends in contemporary photography.
Los Angeles
Music Center Opera, tel: (213) 365-3500. Peter Sellers' production of Debussy's "Pelléas et Mélisande" marks the U.S. operatic debut of conductor Esa-Pekka Salonen. With Monica Groop and François Le Roux. Feb. 4, 7, 10 and 12.
New York
The Jewish Museum, tel: (212) 423-3200, closed Fridays and Saturdays. Continuing/To March 5: "Jewish Life in Tsarist Russia: A World Rediscovered." Remains of the Jewish folk life and material culture collected in the early 1910s between the Black Sea and Vilnius and from Minsk to Warsaw.

Metropolitan Opera, tel: (212) 362-6000. A new production of "Simon Boccanegra," conducted by James Levine with Kiri Te Kanawa/Aprilia Mil-Andrea Gruber and Fabio Armilato/Michael Sylvester. Feb. 21, 25 and 28.
New York Public Library, tel: (212) 221-7676, closed Sundays. Feb. 4 to April 15: "La Fontaine: The Power of Fables." Displays the legacy of the French fabulist in more than 140 objects ranging from rare illustrated books, prints, manuscripts and modern texts to lace, porcelain, music scores and dance photographs.
Carnegie Hall, tel: (212) 903-9750, closed Wednesdays. To March 1: "Mahler's Last Years." Documents Mahler's four years in America as conductor of the Metropolitan Opera and the New York Philharmonic. Features autograph manuscripts of his symphonies, as well as personal and musical artifacts.

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Netherlands FL	770	230
Portugal Esc.	47,000	14,000
Spain Ptas.	48,000	14,500
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hand delivery S.Kr.	3,500	1,000
Switzerland S.Fr.	810	185

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"The Cat Changed to a Woman," by Marc Chagall, is on view in "La Fontaine: The Power of Fables," an exhibition in New York.

the prototype for the Palladian revival that took place in England during the 18th century.
Tippett: Violations of Paradise. Feb. 3 to 26: A celebration of Sir Michael Tippett's 90th birthday: English National Opera re-creates "King Priam" (Feb. 3, 9, 11 and 17); At the Barbican Hall, the London Symphony Orchestra, under Sir Colin Davis, performs choral works and orchestral music (Feb. 5, 12, 16, 23 and 28), as well as the world premiere of "The Rose Lake" (Feb. 19).

DENMARK

Copenhagen
The Royal Danish Opera, tel: 33-32-20-20. "Cosi Fan Tutte," directed by Mikael Mølby, conducted by Andrew Greenwood, with Anne Mari Heindal/ Maljen Bjerno and Randi Sten-er/Elisabeth Helling. Feb. 7 and 17.

FRANCE

Paris
Centre Georges Pompidou, tel: (1) 44-78-40. 86, closed Tuesdays. 300 paintings, collages, sculptures, typographical works and poems created between 1910 and 1947 by the German-born artist.
Musée d'Art Moderne, tel: (1) 47-23-61-27, closed Mondays. Continuing/To March 19: "An- dre Derain, 1880-1954: La Peintre du Trouba-

Von Gie, Braque, Léger und Klee bis Picasso." Works by 100 masters from the collection of Parisian art-dealer Daniel-Henry Kahnweiler, best known for his close association with Picasso, Braque and Derain, among others.
Münch
Haus der Kunst, tel: (89) 22-26-51, open daily, Feb. 4 to May 1: "The Romantic Spirit in German Art 1790-1990." Explores the romantic tradition in German art and its relationship with Modernism. Includes 300 paintings, watercolors, prints and sculptures by Johann Heinrich Füssli, Caspar David Friedrich, Emil Nolde, Kandinsky, Klee, Beuys and Baselitz.

GREECE

Athens
Megaron, tel: 72-82-333. Alban Berg's "Wozzeck," directed by Georg Rothering, conducted by Michael Schoenwandt, with Nadine Secunde, Bodo Brinkmann and Donald Kesch. Feb. 22, 24 and 26.

ITALY

Rome
Camera dei Deputati, tel: (6) 67-601, open Saturdays and Sundays. Continuing/To Feb. 26: "Arte al Montecitorio dal XVI al XX Secolo." An opportunity to see the interior of Bernini's Palazzo

Quake Damage Cost: \$95 Billion and Up

Repair to Buildings, Transport, And Utilities at 7% of Budget

By Paul Blustein
Washington Post Service

KYOTO, Japan — With a debate beginning to emerge here about how to pay for the earthquake in December, officials in western Japan have estimated the cost at \$95 billion.

The government of Hyogo Prefecture, where the quake hit hardest, said the biggest part of the cost, about \$58 billion, involved damage to homes and buildings. The rest included damage to gas and water installations, highways, rail lines and the port of Kobe.

Officials described the estimate as preliminary and said it was based on a continuing survey of collapsed buildings. They emphasized that the sum could rise easily. The new estimate is about \$10 billion higher than one issued Monday.

Most of the economists who have been assessing the impact of the quake have said that the rebuilding effort, while costly, should eventually help Japan bolster its economic growth, after a few months in which supplies and production are disrupted.

Nevertheless, \$95 billion represents about 7 percent of the national government budget, and the central government is planning to pay for much of the reconstruction or to finance it through subsidies and loans. As a result, talk of higher taxes has begun to be heard.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, said Thursday that tax increases would be needed, possibly by speeding up the consumption-tax increase that is scheduled to take effect in 1997.

The chief government spokesman, Kozo Igarashi, has refused to rule out such a move, although he has emphasized that the government is "studying" a variety of financing possibilities.

Finance Minister Masayoshi Takemura has said that "it would be appropriate to consider" raising taxes in the fiscal year starting April 1.

But important local and national elections loom this year, so politicians will probably be even more loath than usual to support tax increases.

Leaders of the Socialist Party, to which Prime Minister Tomiichi Murayama belongs, voiced strong opposition Thursday to any form of tax increase.

Some members of the business community also argue against new taxes and favor various forms of bond issues instead.

Shoichiro Toyoda, chairman of the Keidanren, Japan's most powerful big-business group, said Wednesday that he was opposed to raising taxes by any means, including by scaling back the income-tax reductions approved last year.

U.S. Uses Rights Issue To Meddle, China Says

The Associated Press

BEIJING — China on Thursday accused the United States of using "the excuse of human rights" to meddle in China's internal affairs.

China's Foreign Ministry issued a statement through the official Xinhua press agency in response to the U.S. State Department's annual report on human-rights violations that was issued Wednesday.

"The United States has no right to make indiscreet remarks about the internal affairs of China or any other country," a Foreign Ministry spokesman said.

"We are resolutely opposed to such a move of interference in other countries' internal affairs on the excuse of human rights," said the spokesman, whose name was not given.

The report says China is an authoritarian state with a record of "widespread and well-documented human rights abuses" that include arbitrary and lengthy incommunicado detention, torture, mistreatment of prisoners, restriction of press and political freedoms, and repression in Tibet.

The Chinese spokesman countered, however, that China's constitution and laws had "fully guaranteed the various democratic rights and interests of the people of all ethnic groups in the country."

He also said that China had made progress in protecting human rights since the country was founded as a Communist state in 1949. But, he said, the State Department report ignored China's progress and made improper comments on the human rights situation in China "in order to serve 'ulterior motives'."

The Xinhua report on the spokesman's comments did not specify which comments China objected to or what it saw as the intent of the United States.

"It is our consistent stand that the human rights issue is essentially within the scope of the sovereignty of a country," the spokesman said.

China maintains that it protects important rights by providing for subsistence, including protection from cold and hunger.



A boy and his parents walking on boards across their flooded yard Thursday to return home in Sedan, eastern France.

Europe's Floods of 'Sins and Failures'

By Rick Atkinson
Washington Post Service

BERLIN — As floodwaters continued to recede Thursday across most of Europe, communities from southern Germany to the Netherlands found themselves wondering how two "once-in-a-century" floods could hit the region within 13 months.

The rampage this week came as hundreds of thousands of people who live along the Rhine, the Moselle, the Main and other rivers had barely recovered from the devastating Christmas deluge of 1993. Damage from the two floods is likely to reach tens of billions of dollars.

Meteorologists suspect the catastrophic flooding is more than the result of unusually heavy winter rains. Rather, they theorize, a combination of urbanization, modern farming practices, navigation improvements and questionable flood plain management have rendered low-lying areas increasingly vulnerable.

Farmland and particularly urban areas do not absorb water as effectively as land in its natural state. Many experts contend that decades of squeezing European rivers, particularly the Rhine, into an ever tighter channel have made them unstable.

The Sheddutsche Zeitung newspaper

decried the "flood of sins and failures," and recriminations have flowed even faster than the water has ebbed.

Dutch officials have been particularly biting in their criticism of upstream Germany for a willy-nilly approach to watershed conservation, and neighboring governors within Germany have traded potshots over flood control procedures.

By virtue of size and geography, Germany has been both breeding ground and victim of the superfloods.

One-eighth of Germany lies beneath asphalt and concrete. Every day, according to Der Spiegel magazine, 90 more hectares (225 acres) are covered for streets, parking lots or other urban ventures. Widespread deforestation has also stripped the land of one of its most effective natural sponges. In addition, many farms are now crisscrossed with drainage ditches that effectively remove water from crop fields by dumping it immediately into rivers.

Another factor is the gradual straightening and channeling of the Rhine, which began in 1830. By removing bends and loops, German engineers have given the river a greater capacity for barge traffic; they also made it a singularly effective conduit for massive volumes of water flowing

into western Germany and the Netherlands.

At Karlsruhe in southwest Germany, for example, the Rhine crested at eight meters (25 feet) above flood stage only four times in the century before 1977; since then, the river has hit that mark 10 times, according to Die Zeit newspaper.

"This high water is partly manmade," Claudia Martini, environment minister for the German state of Rhineland-Palatinate, said earlier this week. "We've been raping nature for 40 years, and we've got to change that."

One proposed solution is to create more polders — catch basins along rivers that can be used to divert rising waters before they rampage out of control. But such safety valves are extremely expensive and are often resisted by local communities and farmers who do not want to see their flood plains converted into swamps. Moreover, as events this week demonstrated, even where polders exist there is often dissension over when and how to use them.

The European media have made much this week of the hypothesis that weather patterns have been insidiously affected by global warming. But many climatologists believe that evidence is too still too scanty to draw a direct link between evolving weather and the recent flood disasters.

In Netherlands, Tulips Are Safe From Flooding

The Associated Press

HILLEGOM, Netherlands — Flower lovers can breathe a sigh of relief. Despite the Dutch floods, the tulip harvest is safe.

"Almost 100 percent of our tulip production is outside of the flooding area," said Bert Nollen, marketing director at the International Flower Bulb Center, on Thursday.

The tulip, ultimate symbol of the Netherlands, is cultivated in sandy or clay-like soils concentrated in the country's northwestern regions, about 160 kilometers (100 miles) from the flooding areas in the Gelderland and Limburg regions.

The Netherlands produces more than 70 percent of the world's tulip bulbs, about 3.1 billion, and the perennial bulbs are exported to 80 countries.

FLOODS: The Waters Fall

Continued from Page 1

country where two-thirds of the population lives below sea level. But the emphasis on a shield against the sea meant that less money went to reinforce inland defenses against flooding from the Rhine and its branches in the Netherlands, the Waal and the Meuse.

Many of those who were evacuated from the flooded areas in the east complained that the environmental lobby, which is extremely powerful in the Netherlands, had blocked the reconstruction of dikes that were considered a blight on the countryside.

More than 300 miles of dikes in the flood-prone provinces, many of them dating back to the Middle Ages, need reinforcement, according to the Dutch Ministry of Transport and Waterways.

Environmental groups, in turn, say intensive farming and development have ruined natural runoff areas and made the country more susceptible to river flooding.

Rejecting the arguments of the environmental groups, Prime Minister Wim Kok announced that he would accelerate the reinforcement of river dikes on a scale equal to the sea coast project of the 1950s.

"Objections for budgetary or other reasons must no longer prevent us from doing the work that has to be done," Mr. Kok said.

Even if the Netherlands escapes from the current floods with far less damage than the \$46 billion projected by the Finance Ministry in the worst-case scenario of a major collapse of the dikes, it was clear that the struggle to avoid future disasters is far from over.

CAIRO: Summit Meeting

Continued from Page 1

sure that the territory it rules — Gaza and Jericho — "is not used as shelter, or a place to prepare, incite and execute attacks," Mr. Rabin told members of his Labor Party before he left for Cairo.

"Their ability to meet it will decide more than anything both the speed and possibility of progress in implementing the solution of the Palestinian-Israeli conflict," he said.

The 1993 pact requires the Israeli Army to pull back from Palestinian towns in the West Bank to make way for elections, and for the release of Palestinian prisoners. None of this has happened amid the persistent violence.

The Palestinians also thought the pact would freeze the expansion of Jewish settlements on occupied land. But Israel is adding thousands of homes to the Jewish enclaves.

Israeli officials, meanwhile, said they would consider easing the closure to enable Ramadan observances (AFP, Reuters, AP).

See our Business Message Center every Wednesday

BAUBLES: Hyderabad's Heirs

Continued from Page 1

Jah, a grandson of the seventh nizam who spends much of his time on a 200,000-acre (500,000-acre) sheep ranch in western Australia, the settlement was bitter.

For many, the settlement — which involves cash payouts for some, annual dividends for others — will provide badly needed cash to pay off debts or to supplement declining incomes from the seventh nizam's other trusts.

Indian newspapers have reported that some of the heirs have been scraping by on annuities from other trusts that have shrunk to the equivalent of as little as \$50 a month.

One of the old nizam's great-grandsons, Dilshad Jah, known around Hyderabad for his taste in Japanese motorcycles, went on a hunger strike in 1991 in an attempt to wring an increase in the annuities from executors.

"We can't take any menial job, as people will sneer at us," he said.

Now that the jewelry has been sold, other feelings have come into play.

Mohammed A. Hadi, who represented the family as secretary of the jewelry trust, said he felt some chagrin as he watched an inventory of the collection last month during the handover at the Hongkong & Shanghai Bank in Bombay.

"Of course, after nearly 20 years, they were happy that there was some finality to the matter," Mr. Hadi said in a telephone conversation from Hyderabad. "But it was also an emotional, a wrenching thing."

"They were naturally disappointed that they couldn't get a better price," he said.

The jewelry sale has also revived an old debate about the princely families.

The debate has ebbed and flowed since 1970, when Prime

Minister Indira Gandhi annulled agreements reached in 1947 under which the rulers of the princely states received generous state pensions as well as other privileges for ceding their domains to the new republic of India.

Some think it outrageous that Indian taxpayers are still paying for treasures like the Hyderabad jewels. Others argue that India owes a debt to the survivors of the princely families for having accumulated the palaces and works of art — and the jewelry — that now form part of the country's cultural legacy.

SWEDEN: Cutbacks in Welfare

Continued from Page 1

of 13 percent, Prime Minister Ingvar Carlsson has had little choice but to seek spending cuts.

In January the government proposed a four-year, \$15 billion program of spending cuts and tax increases, by far the biggest austerity package in the country's history, in an effort to stop the growth in the deficit and to bring down high interest rates.

The deficit surged from 7.4 percent of gross domestic product in 1992 to 13.5 percent in 1993. Although it dropped slightly by some measures last year, it remains far higher than the average of 3.8 percent for the world's largest industrial countries.

Mr. Carlsson said he was confident of getting his package through Parliament, despite complaints from the left that the cuts were too deep and from the right that he was relying too much on tax increases. By 1997, he said, the deficit should be down to around 7 percent of gross domestic product.

"We're trimming the system, not dismantling it," Mr. Carl-

son said in an interview. "It's very clear to me as a Social Democrat that if we want a social welfare system we have to have the income to pay for it. The condition for this is to strengthen the Swedish economy, and that's exactly what we are doing now."

Mr. Carlsson's budget strategy has set off protests from some of those affected, including several thousand students who marched in Stockholm in January to protest cuts in their grants.

But many business executives and economists contend that the government has been too timid in its cuts.

"In our view the proposed measures will not be sufficient, either in scope or direction, to achieve the necessary correction in state finances or the growth for which the government is striving," the chairman of eight of Sweden's largest companies said in a letter to Mr. Carlsson.

Some analysts say that rather than snip around the edges of the benefit programs, the government needs to reassess the system completely.

MEXICO: Peso Rescue Package's Burden of Debt Leaves Citizens Anxious

Continued from Page 1

glimpse at just how dire Mexico's crisis had become when it reported late Wednesday that foreign reserves had fallen to \$3.48 billion by Tuesday — and that included a \$2.1 billion credit infusion that was part of \$18 billion credit line offered by foreign governments and institutions in January. The Associated Press reported from Mexico City, The International Herald Tribune reported earlier in the week, quoting a U.S. official, that Mexico's own reserves had fallen as low as \$2 billion.

The euphoric response from Mexico's stock market Tuesday, when the main index jumped more than 10 percent, was followed by a sobering 4.6 percent dive Wednesday. The index closed down 2.8 percent Thursday.

As Mexico City residents noted, the loan infusion will take a long time to reverse an economic situation in which tens of thousands of Mexicans remain jobless as prices of consumer goods rise steadily in reaction to a more than 40 percent devaluation of the peso since Dec. 20.

"What do we have to show for ourselves?" a retiree, Margarita Ortiz, asked. "They're running people off from factories. Plants are closing down. Inflation is still growing, and everyone is too frightened to complain. So we get however many billions of dollars in this loan from the United States — it's just another debt."

Already, the political ramifications of Mexico's economic crisis are being felt. The conservative opposition National Action Party, or PAN, has begun a bumper-sticker campaign with the slogan, "Don't blame me. I voted PAN."

In one of the most telling political reactions, voters preparing for a Feb. 12 election in the central state of Jalisco appear ready to deprive Mr. Zedillo's long-ruling Institutional Revolutionary Party, or PRI, of the governorship for the first time since the party's founding in 1928. A poll published by the

newspaper Siglo 21 in Jalisco's capital, Guadalajara, shows the party's gubernatorial candidate trailing his National Action rival by 20 percentage points.

"Our results indicate that people are not so much inclined to vote for PAN than they are determined to vote against the PRI," the Siglo 21 editor, Jorge Zepeda, said, "and it is almost 100 percent because of the economic situation."

A cellular telephone salesman, Manuel Peña, mocked a Mexico City newspaper headline that proclaimed, "Money, Money, Money. Viva Clinton!"

LOANS: Europeans Protest Clinton's Rush at IMF

Continued from Page 1

to vote on the package. They complained that the agreement had been worked out between the Fund's managing director, Michel Camdessus, and the Clinton administration, without involving other major contributors to the Fund.

Though at times countries will abstain in approving loans, European finance officials said Thursday that it was very rare that such discord erupts over a major aid package.

Fund officials would not comment on whether the European countries had abstained. But Mr. Camdessus indicated at a news conference Thursday in Washington that the vote was not unanimous. He said that of the full membership, 85 percent backed the package. The five

European nations have a 16.65 percent share of the votes.

"There is a feeling of unease among Europeans that the whole thing was not handled very well at all," said an official who had abstained from voting.

The European officials said the package was sure to be a sore subject this weekend when the finance ministers and chief central bankers of the seven major industrial countries meet.

"We normally have two to three weeks to approve such aid packages," a German official said. "When there is an emergency we usually have two to three days. On this one, we had less than an hour."

European financial officials added that Paris would also have abstained except for the fact that Mr. Camdessus is French.

and he predicted that the cheer would eventually turn to grief.

"People act like they're going to be millionaires because of this," he said. "It doesn't work that way."

Juan Alvarez, a representative of an auto-financing company, said he expected a business boost because of the effect the loan package had on interest rates. Before Mr. Clinton's announcement, the average Mexican car loan carried an annual rate of 37 percent to 44 percent. Overnight, Mr. Alvarez said, the rate dropped to 32 percent, and was still falling.

"There is a sense that the French could not vote against their fellow countryman," a European official said.

Officials said the size of the IMF program for Mexico made them concerned about coming requests for aid from other countries — particularly Russia, which is negotiating a \$15 billion loan package with the Fund, and other East European countries. They said such a huge injection of funds, while not jeopardizing the Fund's liquidity, would still make it more difficult to provide aid packages for other countries.

They also warned that as a result of the Mexican crisis, other countries like Brazil might need added levels of assistance and would come to the Fund expecting larger handouts.

BALKANS: U.S. Concentrates on New Trouble Spots

Continued from Page 1

Holbrooke said. "We have a policy, but we are now in the process of finding out how to proceed."

Mr. Holbrooke's tenure has been marked by a significant shift in U.S. treatment of the Bosnian Serbs, from keeping them at arm's length to showing a greater willingness to accommodate their wishes for changes in the partition plan and establishing links with Serbia. The

policy has not lured the Serbs to the table.

Mr. Holbrooke acknowledged that efforts within the so-called contact group of mediators from the United States, France, Britain, Germany and Russia, have culminated in a breakdown in talks.

Only France has come up with an option: a meeting of major powers and the warring countries and factions.

The Clinton administration

regards a conference as unwieldy and an arena more for spectacle than progress, but has not rejected the idea out of hand, a U.S. official said.

As for the Croatian-Muslim federation, U.S. officials were hoping the arrangement would lead to creation of an integrated government and society. Instead, the Croats and Muslims are creating separate schools and police forces, and maintaining separate armies.

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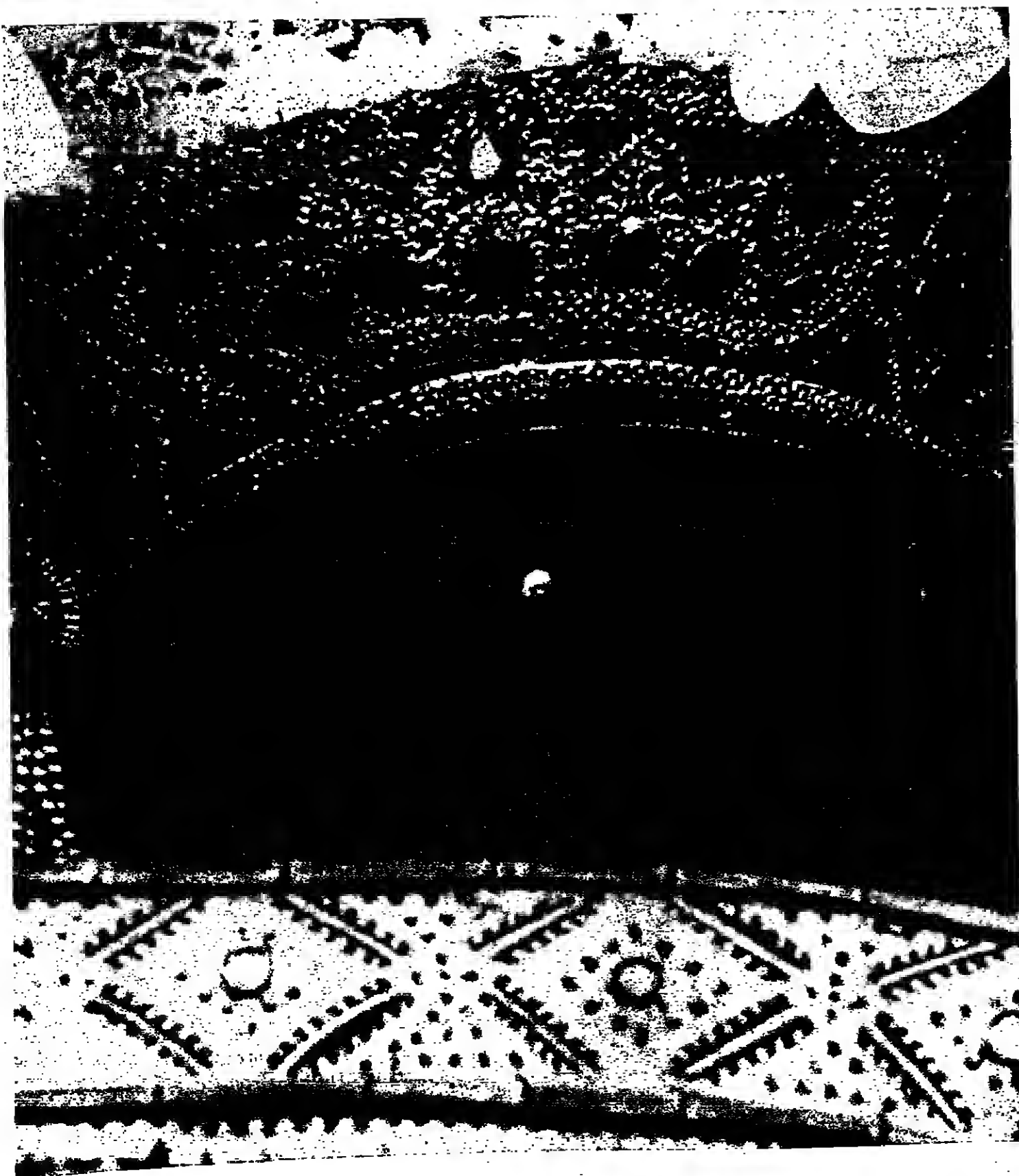
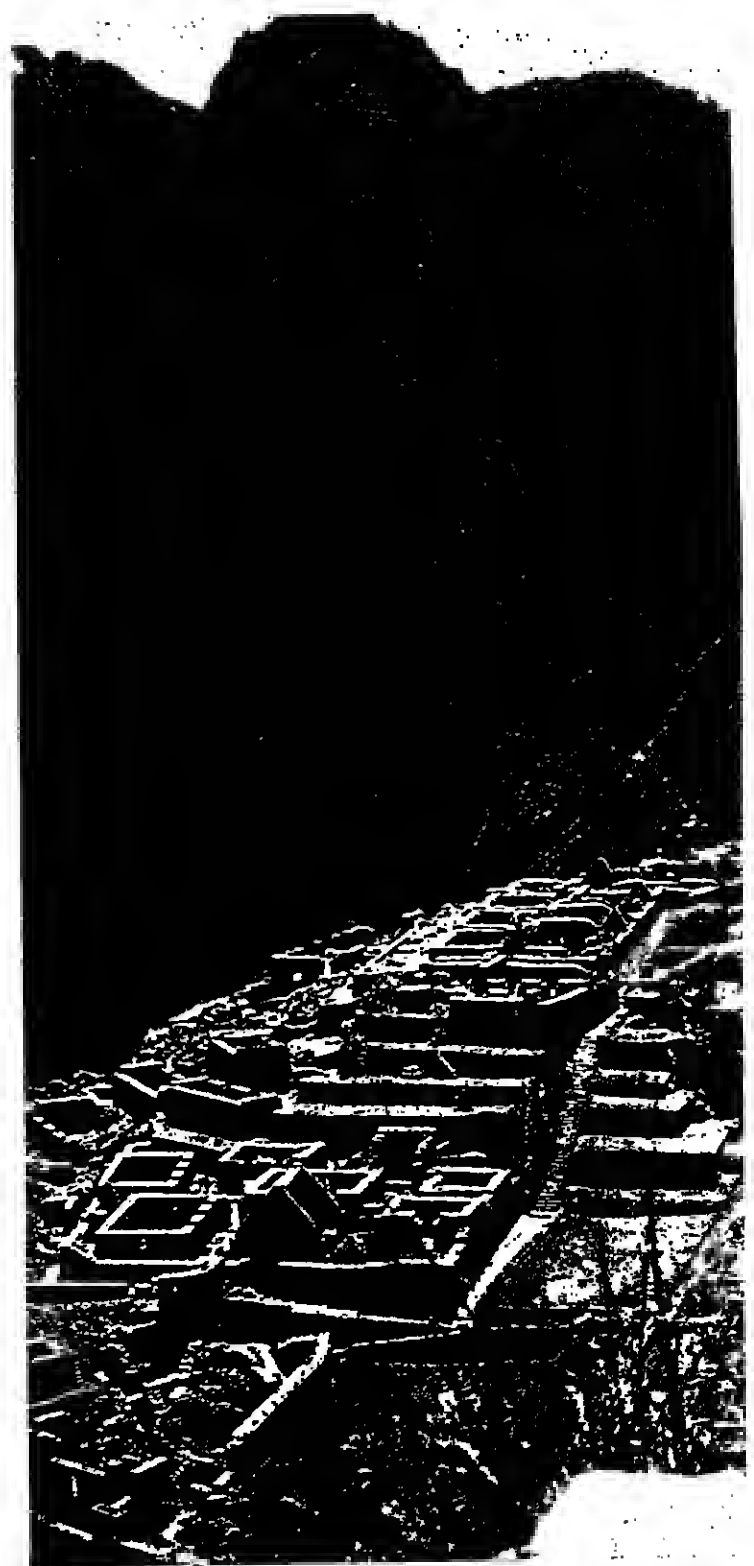
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In Netherlands
Tulips Are Saved
From Flooding



The AT&T Global Calling Guide For International Travelers



FLOODS:
The Waters Fall

CAIRO:
Suez Canal Meeting

Almost Everywhere You Travel, AT&T Makes Staying in Touch Easy

When you're at home, you pick up a phone without thinking about it. Without thinking how to dial a call or charge a call. When traveling, it's often a different matter, and that's where AT&T comes in.

AT&T is a worldwide company whose services are available virtually anywhere you go. The company that simplifies global calling. The company that provides service in the English language. The company that makes multilingual interpreters available whenever you call. The company that gives you the ability to charge calls virtually worldwide. The company that makes you feel at home — almost anywhere you are.

How? With the AT&T Calling Card, AT&T USADirect® Service and AT&T World Connect® Service. With worldwide teleconferencing, message, multilingual interpreter, and facsimile services. With access to AT&T

Directory Assistance in the U.S. And with communications experience that dates from the dawn of the century.

If you are one of nearly three million Americans living outside the U.S., or an international traveler from any country, you'll find us almost anywhere you go. Ready to put you in touch with your office, your clients, your home, your family and friends. Quickly and simply. At reasonable prices, with the personal service that has made AT&T a legend in the industry.

AT&T Customer Service

You have access to AT&T Customer Service virtually anywhere in the world giving you the same high levels of service we provide in the United States. If you find you need help with any of the services highlighted in this insert, there is a customer service representative to help you. Customer Service telephone numbers are listed at the end of this insert.



The AT&T Calling Card: Your Passport to AT&T's World of Global Communications Services

Your passport lets you travel the world. Your AT&T Calling Card helps you stay in touch with it. Almost anywhere you live, work or travel, whatever your citizenship, you can use your AT&T Calling Card to:

- ☐ Charge calls between more than 80 different countries outside the U.S.
- ☐ Charge calls to the U.S. — from more than 170 countries and locations
- ☐ Charge calls to more than 280 countries and locations — from the U.S.
- ☐ Charge calls within the U.S.

Your AT&T Calling Card is simple to use and very convenient.

There is little need to worry about foreign coins, currency or exchange rate calculations when you place an international call. A full accounting of each call you make is provided on a simple, easy to understand, monthly statement*. And please remember that your lifetime AT&T Calling Card is also good for any AT&T calls that you make in the United States.

The AT&T Calling Card Difference

The AT&T Calling Card is your passport to AT&T's global communications network. It costs nothing to get the card — you pay only for the calls you make¹. There are no annual "membership" fees, and there is no expiration date. It's good for life. And you can get an additional card for a family member.

Your Billing Options

AT&T will be happy to bill either your American Express[®], VISA[®], MasterCard[®], Access[®], Eurocard[®] or JCB[®] account — whichever you prefer. All of your AT&T Calling Card charges will be itemized² with the numbers you called during the billing period, and the time and charges for each call.

How to Apply for the AT&T Calling Card

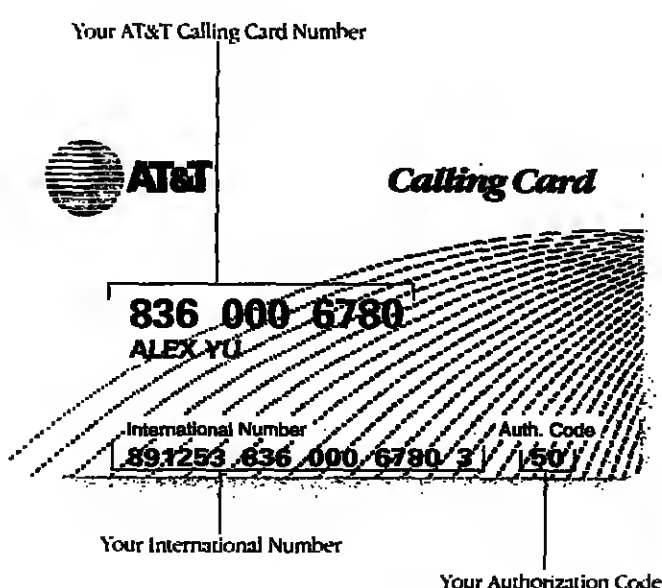
Simply fill out the application on the back page of this section and mail it back to the address provided.

- 1 All 50 states, Puerto Rico and the U.S. Virgin Islands.
- 2 Billing detail available in most countries.
- 3 Your credit card provider may charge interest and fees in conformity with the terms of your agreement with them.
- 4 Plan not available in all countries.
- 5 Japan only.

Using Your AT&T Calling Card Around the World

Like your passport, your AT&T Calling Card is a unique, distinct, and personal identifier — with a set of numbers that lets you charge calls almost anywhere. Although charge policies and procedures vary from country to country, the following reminders will help you place your calls quickly and efficiently.

Your AT&T Calling Card — Unique, Distinct and Personal



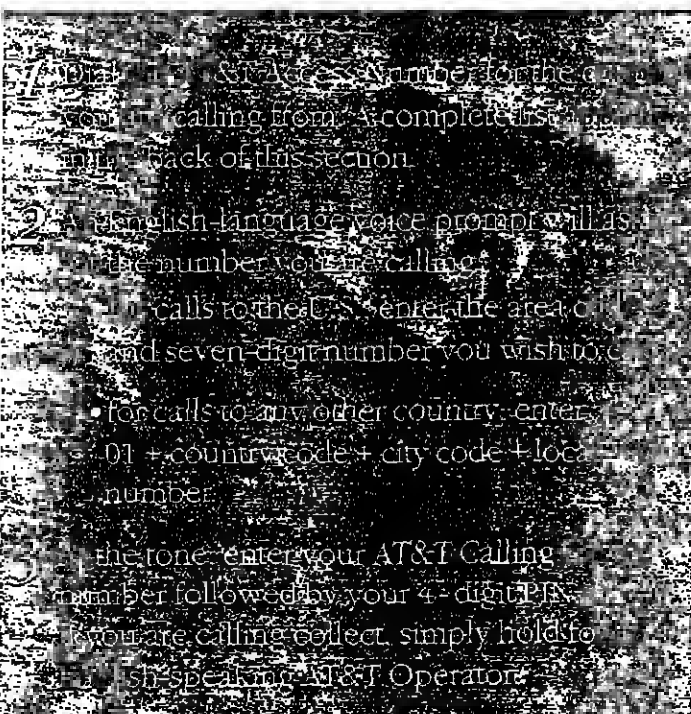
The main number in the center of the card in larger type is your AT&T Calling Card number. This, along with your 4-digit PIN (Personal Identification Number, which is provided when you receive your Calling Card), will be used for most of the calls you make.

Using Your Calling Card from Outside the U.S.

AT&T USADirect® Service and AT&T World Connect® Service

All you need is your AT&T Calling Card and the AT&T Access Number to call the U.S. quickly and easily from more than 130 countries using AT&T USADirect® Service. You can also call between more than 80 countries using AT&T World Connect® Service. And there are no language barriers. You can always reach an English-speaking AT&T Operator, and all announcements are recorded in English. And placing the call? Well, that's as simple as 1-2-3.

USADirect and World Connect Calling Instructions



* If you are calling from a telephone that does not yet provide automated access to the AT&T network, simply wait for an English-speaking AT&T Operator to greet you. The operator will ask for the number you are calling, take your billing information, and place the call for you.

In countries where USADirect Service is not yet available, you can still use the AT&T Calling Card when you call the U.S. Ask the local international operator to place your call, and bill the charges to your Calling Card. Use your International Number and your Authorization Code, indicated on the bottom of your Calling Card.

Calling from Hotels

Be sure you have an outside line before you dial the AT&T Access Number. Please note that some hotels block access to USADirect and World Connect Service, and may add surcharges to the cost of the calls you place through the hotel. If you cannot reach AT&T from your hotel, you may wish to use a public telephone instead. If you have any doubts about surcharge policies at your hotel, check with the front desk.

AT&T has worked with hotels and hotel chains around the world for more than 20 years to provide quick, easy access to the AT&T network.

Calling from Public Telephones

Dial the AT&T Access Number. In some countries public phones require coins or phone cards to obtain a dial tone. Phone cards may be purchased at post offices, and at many hotels and newsstands.

Calling from a Special USADirect Telephone

Special AT&T USADirect telephones have been conveniently placed in heavily traveled international locations such as: airports, cruise docks, tourist centers, and major hotels. Just lift the handset, or press the special button, and you will be connected to the AT&T Operator or voice prompt. These phones can also be used to place World Connect calls.

Calling from a 3C Phone in Europe

3C telephones in Europe now accept the AT&T Calling Card and provide direct access to AT&T USADirect® Service and AT&T World Connect® Service. Like AT&T's special USADirect telephones, they are conveniently located for international travelers — in airport business class lounges, hotel lobbies, conference and exhibition centers.

دعنا من الاتصال

Additional Features Available through AT&T USADirect® Service and AT&T World Connect® Service

Wherever you can take your AT&T Calling Card, you can enjoy a number of advanced and productive telecommunications services available through AT&T USADirect® Service and AT&T World Connect® Service. Simply dial the AT&T Access Number and you can take advantage of any of the features described here.

Conference Calling

AT&T TeleConference Service lets you conference with people from 3 to over 500 locations in more than 270 countries and locations worldwide, as long as one conferee is located in the U.S.

Benefits... you can conduct meetings, expedite decisions as though you were in the office, get a group together on a moment's notice, schedule conference calls in advance.

Instructions... dial the AT&T Access Number, dial or ask for 800 232-1234 and enter your AT&T Calling Card number and 4-digit PIN. AT&T TeleConference Service charges and your USADirect call will be billed separately.

For more information on AT&T TeleConference Service, dial us through USADirect Service at 800 232-1234.

Making Consecutive Calls

The USADirect and World Connect Sequence Calling feature allows you to place up to 10 consecutive calls without re-dialing the access or Calling Card numbers for each call.

Benefits... with less dialing and less waiting, you save time and hotel surcharges on each additional call you place.

Instructions... Use a touch-tone compatible telephone and bill to your AT&T Calling Card. Place your first call in the normal fashion. When you have finished your conversation and your party hangs up — simply press # and follow the simple voice prompts. If you are calling from a rotary phone, wait on the line and an AT&T Operator will place your next call. Standard USADirect or World Connect prices for each sequence call will be itemized separately on your statement.*

800 Number Connections

You can also use USADirect Service to reach 800 numbers in the U.S.

Benefits... this means you can access the services offered by many U.S. travel agents, credit card companies, and other types of businesses that use 800 service. You can also access the multitude of telecommunications services that AT&T provides through 800 numbers in the U.S.

Instructions... dial the AT&T Access Number for the country you are in, dial or ask for 800 and the seven digits of the number you wish to reach, and enter your Calling Card number and PIN. Please note that although these U.S. numbers carry the 800 prefix, they are not free when called from outside the U.S. AT&T USADirect® Service prices apply for the duration of your call.

Voice Messaging

AT&T True Messages™ allows you to record a three-minute message in your own voice, and have it delivered to more than 170 countries and locations including the U.S. — on the time and date you specify up to seven days following the message recording. In the event there is no answer, we try for up to six hours to get your message through. If the message cannot be delivered within this time, you pay only for your USADirect call. There is no charge for attempting to deliver your message.

Benefits... compensates for time zone differences — very valuable when you're on the move, when you can't reach someone, when you can't leave a callback number.

Instructions... dial the AT&T Access Number for the country you are calling from, dial or ask for 800 562-6275 and enter your Calling Card number and 4-digit PIN. Or, after a busy or no answer on a number you are calling, press # 1 2 3. Wait momentarily, and you will automatically be connected to AT&T True Messages™ (if you're calling from a rotary phone, after the busy signal simply hold for an AT&T Operator). AT&T True Messages charges and your USADirect call will be billed separately.

For more information on AT&T True Messages™, dial us through AT&T USADirect Service at 800 562-6275 and stay on the line past the voice prompts for a customer service representative.

Translation Service

With AT&T Language Line® Services, the skills of a professional interpreter are at your disposal, on a moment's notice, in 140 languages, 24 hours a day, 7 days a week.

Benefits... avoid the language difficulties that can lead to misunderstandings, missed business opportunities, or needless delays.

Instructions... dial the AT&T Access Number, dial or ask for 800 528-5888 and enter your Calling Card number and 4-digit PIN. AT&T Language Line Services charges and your USADirect call will be billed separately.



For more information on AT&T Language Line Services, call us through AT&T USADirect® Service at 800 528-5888.

Advanced Faxing Services

Subscribe to AT&T Enhanced FAX and you will have the ability to fax documents to multiple locations in over 170 countries and locations including the U.S. — when you are traveling abroad. You can also use USADirect Service to retrieve faxes that have been sent to your AT&T Enhanced FAX mailbox in the U.S.

Benefits... you will be able to stay in touch, fax documents to multiple locations at one time and you can receive your faxes almost anywhere you travel.

Instructions... to use AT&T Enhanced FAX use a touch-tone compatible telephone on a facsimile machine, dial the AT&T Access Number for the country you are in, dial or ask for 800 232-9674, and enter your Calling Card number and 4-digit PIN. AT&T Enhanced FAX charges and your USADirect call are billed separately.

To subscribe to AT&T Enhanced FAX or for more information, call us through AT&T USADirect® Service at 800 242-6005.

AT&T U.S. Directory Assistance

U.S. Directory Assistance will give you the numbers you need in the States.

Benefits... fast, accurate, U.S. telephone information when you're traveling or living abroad.

Instructions... dial the AT&T Access Number, dial or ask for the Area Code + 555-1212 and enter your Calling Card number and 4-digit PIN. A Directory Assistance charge of \$3.25 applies.**

* Billing detail available in most countries.
** Rate effective as of October 1994. All rates subject to change.

Using Your Calling Card from within the U.S.

In the United States, (including Puerto Rico and the U.S. Virgin Islands) you can charge your calls to more than 280 countries and locations.

- 1 Dial 1 800 225-5288 (1 800 CALL ATT®) to reach the AT&T network.
- 2 You will hear a tone and the recorded announcement, "AT&T." Press "1".
- 3 Listen for "AT&T" again. Dial 01 + country code + city code + local number you are calling.
- 4 Listen for "AT&T" again. Enter your AT&T Calling Card number and 4-digit PIN.

If you need assistance in placing a call when in the U.S., dial toll-free 1 800 225-5288.

In the United States, you can charge all your interstate and local calls.

- 1 Dial 1 800 225-5288 (1 800 CALL ATT®) to reach the AT&T network.
- 2 You will hear a tone and the recorded announcement, "AT&T." Press "1".
- 3 Listen for "AT&T" again. Dial the area code + local number you're calling.
- 4 Listen for "AT&T" again. Enter your AT&T Calling Card number and 4-digit PIN.

If you need assistance in placing a call when in the U.S., dial toll-free 1 800 225-5288.

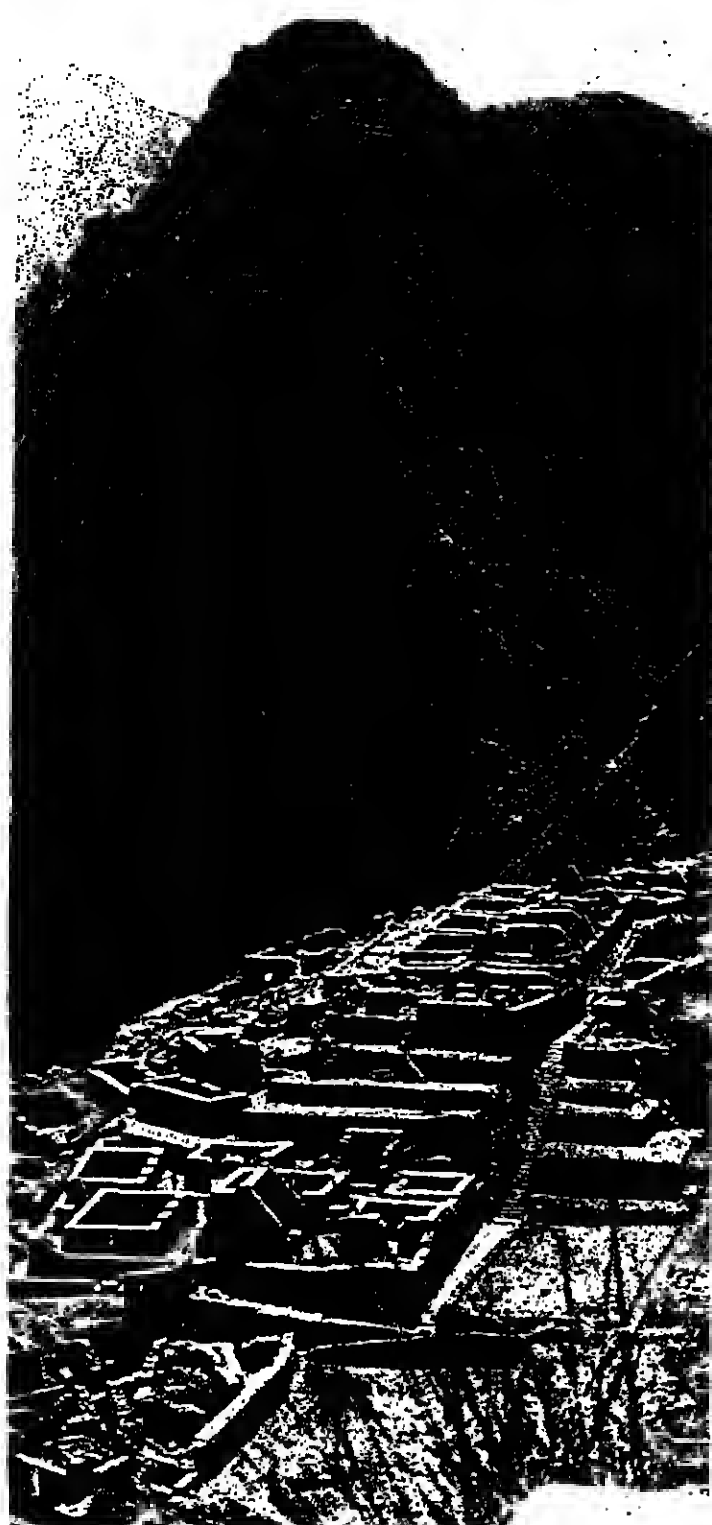


AT&T Access Numbers

AT&T USADirect® Service and AT&T World Connect® Service Access Numbers are listed on this page. Please check the footnotes before dialing the Access Number in the country you are calling from. Countries where World Connect Service is available are shaded with gray bars.

We are continually adding new countries to the list. If a country you are living in or intend to visit is not listed here, dial the Access Number for the country you are in and ask the AT&T Operator to connect you to USADirect Customer Service.

To receive your free wallet card of AT&T Access Numbers, just dial the Access Number for the country you are in and ask the AT&T Operator to connect you to USADirect Customer Service.



Country	Access Number
AMERICAN SAMOA	633-2-USA
ANGUILLA	1-800-872-2881
ANTIGUA (Public Card Phones)	#1
ARGENTINA ♦	001-800-200-1111
ARMENIA †	800-741-1111
AUSTRALIA	1-800-881-0111
AUSTRIA †††	022-908-0111
BAHAMAS	1-800-872-2881
BAHRAIN ♦	800-0011
BARBADOS ♦♦♦	1-800-872-2881
BELGIUM	0-800-100-10
BELIZE ♦	555
BERMUDA †	1-800-872-2881
BOLIVIA	0-800-1112
BRAZIL	000-8010
BRITISH V.I.	1-800-872-2881
BULGARIA ♦	00-1800-0010
CANADA	1-800-575-2222
CAPE VERDE ISLANDS	712
CAYMAN ISLANDS	1-800-872-2881
CHILE	7-24-0-0288
CHINA, P.R.C. ♦♦♦	10811
COLOMBIA	880-31-5010
COOK ISLANDS ♦	09-111
COSTA RICA ♦	114
CROATIA †	99-38-0011
CUBA (Guantanamo Bay) ♦♦	955
CYPRUS ♦	080-90010
CZECH REPUBLIC	00-420-00101
DENMARK	8001-0010
DOMINICA	1-800-872-2881
DOMINICAN REPUBLIC ††	1-800-872-2881
ECUADOR †	119
EGYPT (Cairo)	510-0200
(Outside Cairo)	03-510-0200
EL SALVADOR ♦	190
Fiji	004-890-1001
FINLAND	9800-100-10
FRANCE	19-0011
GABON	00-0-001
GAMBIA	00111
GERMANY	0130-0010
GHANA	0191
GIBRALTAR ♦	8800
GREECE	00-800-1311
GRENADA †	1-800-872-2881
GUAM	018-872
GUATEMALA	190
GUYANA ††	165
HAITI †	001-800-972-2883
HONDURAS †	123
HONG KONG	800-1111
HUNGARY	00-0-900-01111
ICELAND	999-001
INDIA ♦	000-117
INDONESIA †	001-801-10
IRELAND	1-800-550-000
ISRAEL	477-100-2727
ITALY	172-1011
IVORY COAST	00-111-11
JAMAICA ††	0-800-872-2881
JAPAN	0039-111
JORDAN ♦	18-800-000
KENYA †	0800-10
KOREA	009-11
KOREA ♦♦	114

Country	Access Number
KOREA ♦♦	550-HOME
KUWAIT ♦	800-288
LEBANON (Beirut)	426-801
(Outside Beirut)	01-426-801
LIBERIA	797-797
LIECHTENSTEIN	155-00-11
LITHUANIA ♦	8-0-196
LUXEMBOURG	0-800-0111
MACAO ♦	0800-111
MACAU, P.R.C. of †††	99-800-4288
MALAYSIA	800-0011
MALTA ♦	0800-890-110
MEXICO ♦♦♦	95-800-462-4240
MONACO	19-0-0011
MONTserrat †	1-800-872-2881
MOROCCO	002-11-0011
NETHERLANDS	06-022-9111
NETHERLANDS Bonaire	001-800-872-2881
Curaçao	
Saba	
St. Eustatius	
St. Maarten	
NEW ZEALAND	000-911
NICARAGUA (Managua)	174
NORWAY	800-190-11
PALAU ♦	02288
PANAMA ♦	109
PANAMA (Canal Zone) ♦♦	281-0109
PARAGUAY † (Asunción City)	0081-800
PERU †	191
PHILIPPINES	105-11
POLAND †♦♦	0-010-490-0111
PORTUGAL †	05017-1-288
QATAR ♦	0-800-011-77
ROMANIA	01-800-4288
RUSSIA † (Moscow)	155-5042
ST. KITTS/NEVIS	1-800-872-2881
ST. VINCENT ♦♦♦	1-800-872-2881
SAIPAN †	235-2872
SAN MARINO ♦	172-1011
SAUDI ARABIA	1-800-10
SIERRA LEONE	1100
SINGAPORE	800-0111-1111
SLOVAK REPUBLIC	00-420-00101
SOUTH AFRICA	0-800-99-0123
SPAIN ♦	900-99-0011
SRI LANKA	430-430
SURINAME	156
SWEDEN	020-795-6111
SWITZERLAND	155-00-11
SYRIA	0-801
TAIWAN	0880-40288-0
THAILAND ♦	0019-991-1111
TURKEY	00-800-12277
TURKS AND CAICOS ♦♦♦	1-800-872-2881
U.A.E. ♦	800-121
UKRAINE †	8-0100-11
UNITED KINGDOM	0500-89-0011
URUGUAY	00-0410
VENEZUELA ♦	80-011-120
ZAMBIA ♦	00-899
ZIMBABWE †	110-899

* Public phones require deposit of coin or phone card for dial tone. ♦♦♦ Dial 010-490-0111 from major Warsaw hotels. ◊ Await second dial tone. ◊◊ From public phones only, push the red button, wait for dial tone and then dial. ◊◊◊ When calling from public phones, use phones marked Lodged. † May not be available from every phone. †† Collect calling only. ††† Public phones require local coin payment through call duration. ♦ Not available from public phones. ♦♦ From U.S. Military bases only. ♦♦♦ Not yet available from all areas. ♦♦♦ Available from public phones only. ■ World Connect calls can be placed to, but not from, this country. * Calling available to most European countries.

Getting the AT&T Calling Card is free. So make sure you apply today.

Please print clearly and provide all the information requested in order to receive your Calling Card as soon as possible.
Mail your completed application to: AT&T Global Calling Card Service, P.O. Box 258, Buffalo, New York 14226-0258, United States of America

☐ Mr. ☐ Mrs. ☐ Miss ☐ Ms. ☐ Dr.

Surname First Name

Street

City/Town/Village _____ Postal Code _____ Country _____

Office Telephone Number (Country Code, City Code & Local Number) _____

Home Telephone Number (Country Code, City Code & Local Number) _____

Please charge my AT&T calls to my (tick one)
☐ American Express® Card*
☐ Japan Credit Bureau (JCB) Japan Only
☐ MasterCard®-U.S. Banks
☐ MasterCard, Access® Eurocard®-Non-U.S. Banks
☐ VISA®-U.S. Banks
☐ VISA-Non-U.S. Banks*

My Bank Credit Card (or American Express® Card) Number _____
 Expiration Date: Month Year _____
 Language of preference. AT&T will provide dialing instructions in the language of preference whenever possible.

X _____
Signature Date

Please print full name _____
 Do you want an additional Card for a family member? ☐ Yes ☐ No
 For AT&T Use Only: Auth. Code _____ Date _____ Initials _____

EW0957W94

Statement of Authorization. Please consider my application for an AT&T Calling Card. If this application is granted, I authorize AT&T to bill me for charges incurred with the AT&T Calling Card issued to me.

I understand and agree that any charges made with an AT&T Calling Card and billed to my American Express Card account will be subject to the same terms and conditions governing my American Express Card account. Any charges billed to my JCB, MasterCard, Access, Eurocard or VISA account will be subject to the same JCB, MasterCard, Access, Eurocard or VISA finance charges as may be applicable to other items appearing on my JCB, MasterCard, Access, Eurocard or VISA statement in accordance with the terms and conditions of my JCB, MasterCard, Access, Eurocard or VISA account. I will notify AT&T and JCB, American Express, MasterCard, Access, Eurocard or VISA if my JCB, American Express, MasterCard, Access, Eurocard or VISA is lost, stolen, expires or is terminated for any reason, or if I wish to terminate the Authorization to bill my JCB, American Express, MasterCard, Access, Eurocard or VISA account. I will also notify AT&T whenever I change my mailing address.

Approval or rejection of this application is made by American Telephone & Telegraph Company in the U.S.A.

*Not available in all countries

AT&T Global Customer Service

For current information on AT&T USADirect® Service and AT&T World Connect® Service rates, please dial the AT&T Access Number for the country you are in and ask for USADirect Customer Service. Please note that World Connect rates typically consist of the USADirect Service rate plus an additional charge, depending on the country you are calling to. For more information on the Calling Card please contact your local AT&T Customer Service Center. Locations are provided below:

WITHIN THE COUNTRY OF...	DIAL TOLL-FREE...
Austria	0660-8463, ask for extension 9872
Belgium	0800-11296, ask for extension 9872
Denmark	80-01-7060, ask for extension 9872
Finland	9800-14-433, ask for extension 9872
France	05-48-51-11, ask for extension 9872
Germany	0130-83-88-88, ask for extension 9872
Hong Kong	506-5500, ask for extension 9872
Ireland	1-800-553322, ask for extension 9872
Italy	1678-77472, ask for extension 9872
Japan	0120-4-10288, ask for extension 9872
Netherlands	06-022-5223, ask for extension 9872
Norway	800-11051, ask for extension 9872
Sweden	020-792955, ask for extension 9872
Switzerland	155-4311, ask for extension 9872
United Kingdom	0500-89-7801, ask for extension 9872
ALL OTHER COUNTRIES	Use AT&T USADirect® Service and call collect to 305-938-5490, ext. 9872. For calls in the U.S. 1-800-435-0812, ext. 9872.

TrueWorld™ Connections



THE TRIB INDEX

WALL STREET JOURNAL

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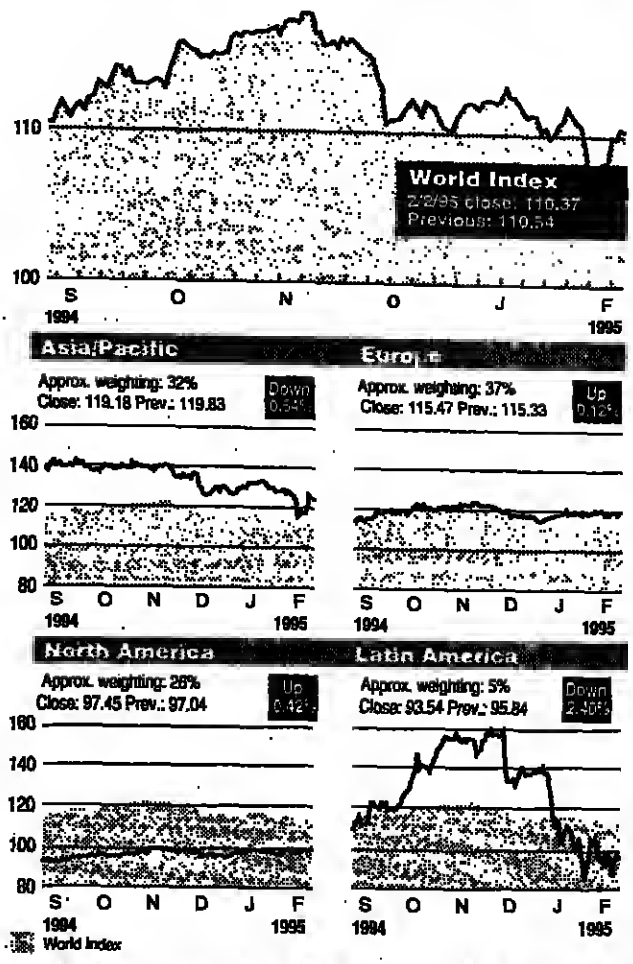
FINANCIAL

International Herald Tribune, Friday, February 3, 1995

Page 9

THE TRIB INDEX: 110.37

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Industry Sector	Th. close	Prev. close	% change
Energy	113.97	114.14	-0.15
Utilities	118.74	118.38	+0.30
Finance	110.05	110.06	-0.01
Services	108.90	109.26	-0.33
Capital Goods	109.91	109.82	+0.08
Raw Materials	131.16	132.02	-0.65
Consumer Goods	103.09	102.72	+0.36
Miscellaneous	113.66	113.24	+0.37

Boeing To Slash 7,000 Positions

By Barry James

Reflecting the ups and downs of a highly cyclical industry, Boeing Co. announced Thursday that it would eliminate 7,000 jobs this year because of a cutback in production of its 737 and 767 models.

Frank Shroetz, the chairman, warned that production rates might have to be cut even further because of the poor operating results of some U.S. airlines.

He said the decision to lay off workers was taken after meetings with some of these airlines, which asked for aircraft deliveries to be postponed.

The layoffs, which come on top of 26,000 jobs lost in the past two years, will reduce Boeing's labor force to about 110,000. Although severe, the reduction is far smaller than the layoffs of the 1970s.

But Boeing returned to prosperity with the success of the 747 jumbo jet, and it is hoping it can do so again with its 777 model, which is scheduled for its first delivery this year.

Because of the sluggish state of the airline market in the United States, carriers are keeping old aircraft in operation, reducing demand particularly for the narrow-body 737.

Boeing said it would slow production of the 737 plane to 7.5 per month from 8.5.

The layoff announcement came after Air France, Continental Airlines, All Nippon Airways and USAir said they were canceling or deferring orders.

Separately, Boeing announced it was hiring 800 workers for work on the NASA Space Station. It also said it would increase production of 747 jets from two a month to three in the second half of 1996.

Boeing shares were 62.5 cents higher at \$46.50 in late New York trading.

G-7 Passes Hat for Mexico

Toronto Session to Iron Out Financing

By Lawrence Malkin

NEW YORK — With some Europeans resentful of being dragged into what they consider a regional financial problem, the Group of Seven's finance ministers will gather Friday night in Toronto for a quick meeting to seek contributions to the rescue package for Mexico.

They also will start thinking about how to prevent similar crises from threatening the international financial system. The issue is heading for the agenda of the scheduled July summit meeting of the seven leading industrial nations in Halifax, Nova Scotia.

The finance officials' meeting is expected to reach a compromise on how central banks will fund their \$10 billion portion of the nearly \$50 billion package. Officials are confident they will succeed, if only because failure to do so could restart the Mexico panic in financial markets Monday morning.

This fear could be the most important negotiating lever available to Robert Rubin, the new U.S. Treasury secretary and former Wall Street executive making his initial appearance at the exclusive club of top finance officials and central bankers from the Britain, Canada, France, Germany, Italy, Japan and the United States.

Their meeting is scheduled to begin with a dinner Friday and to end about midday Saturday.

The U.S. Treasury announced Tuesday it would put up \$20 billion from its Exchange Stabilization Fund, and the International Monetary Fund would provide \$17.8 billion in credits that would be disbursed as Mexico imposed an austerity plan at home.

The IMF board approved its credits Wednesday despite objections by some Europeans that they had not been consulted by President Bill Clinton on the relief package.

Some European financial officials, especially in Britain, pointed out that in the autumn of 1992, the United States offered no financial help to Europe's exchange-rate mechanism, regarding it as a regional problem. The mechanism fell apart then because the Bank of England ran out of money to support the pound, just as Mexico had no money left in recent days to support the peso.

But Germany, not Britain, is Europe's financial powerhouse now, and German officials said they were open to discussion on financing methods. At Toronto, an official said, Germany is likely to seek assurances that the rescue package will actually help cure Mexico's fundamental problem of overspending, which means they will demand tight IMF surveillance.

The argument is likely to center on how much of Mexico's credit risk Europe and Japan will shoulder, and whether their money or Washington's will be disbursed first.

(Mexico said its foreign reserves had fallen to \$3.48 billion by the day Mr. Clinton announced his emergency plan to save the country from financial disaster. The Associated Press reported. The figure, announced late Wednesday by Mexico's central bank, was down from \$6.15 billion at the end of December and \$2.4 billion in March 1994. Sources told the International Herald Tribune last See P.10, Page 10)

Auto Market Recovery Helps Fiat Turn Profit

MILAN — Fiat SpA, Italy's largest industrial company, returned to profit in 1994 because of an improved European car market and sharp cost cutting, Chairman Giovanni Agnelli said Thursday.

He vowed the company would keep a tight lid on costs, while investing in its car and other operations, which range from trucks to machine tools.

In a letter to shareholders, Mr. Agnelli indicated that operating profit, or earnings before taxes and financing charges, in 1994 was about 2.63 trillion lire (\$1.6 billion). The company reported an 839 billion lire operating loss in 1993, its first since the 1970s.

Full profit figures will be released in May, but Mr. Agnelli's annual letter is closely watched in Italy for signs on how Fiat, an important part of Italy's economy, is doing.

Fiat alone represents about 3.5 percent of the Italian economy and employs about 1.0 percent of its work force.

Fiat also said its profit before tax was 1.75 trillion lire, compared with a pretax loss last year of 1.38 trillion.

Fiat gave no net profit figure. But analysts said the results pointed to a net profit last year of around 1 trillion lire, which would be higher than most investors had been expecting.

Mr. Agnelli said the "satisfactory" results for 1994 "must be seen as only the first step in a process of development that remains very difficult given the high level of competition, which we face in every sector we operate in."

Mr. Agnelli said the company's revenue rose 20 percent to 65.5 trillion lire, in 1994. He said the company invested 4.5 trillion lire in its factories last year and spent 1.9 trillion lire on research.

Wellcome Rushes Out Income Data To Thwart Glaxo

LONDON — Wellcome PLC reported higher earnings for 1994 on Thursday and sought to use the results as evidence that the \$14 billion hostile takeover bid made last month by Glaxo PLC undervalued the drug company.

Scrambling to escape Glaxo's clutches, Wellcome rushed out its unaudited financial results a month ahead of schedule. The London-based company said pretax profit rose 19 percent, to £738 million (\$1.16 billion), compared with 1993, while sales increased 13 percent, to £2.28 billion. The results exceeded many analysts' predictions.

After accounting for higher tax rates and one-time charges, Wellcome earned £403.6 million pounds, an increase of less than 1 percent over 1993.

Chairman John Robb said the results prove Wellcome's strength and prospects. But Glaxo said it was not impressed. Wellcome's shares closed up 6 pence, at 1,004 pence.

—RICHARD STEVENSON

Britain Raises Lending Rate

LONDON — The Bank of England raised its bank lending rate half a point to 6.75 percent Thursday, the rate's highest level since November 1992.

The Treasury said the increase — the third since September — was an attempt to sustain a favorable combination of strong U.K. economic growth and low inflation.

Elsewhere on Thursday, the Hong Kong Monetary Authority raised its discount window rate by 0.5 percentage point, and the Bundesbank left Germany's official interest rates unchanged at 4.5 percent for the discount rate and 6 percent for the Lombard rate.

"The U.K. recovery is one of the strongest in Europe, and our inflation rate is below the average," said Chancellor of the Exchequer Kenneth Clarke. "I am determined to maintain sustainable growth and low inflation."

U.K. bonds and stocks showed little reaction to the rise, which many in the markets had been expecting the Bank of England to make soon. The pound rose slightly.

Business executives had a mixed reaction, with some calling the rise unjustified and others saying it would have little impact on their operations.

The Bank of England's lending rate is the minimum rate at which commercial banks can borrow from the central bank. It is usually the same as banks' base rates.

"It's quite a tough and bold move," said Robert Barrie, U.K. economist at BZW Securities. "I had expected them to wait until next month, but they are obviously worried about the strength of economic growth."

(Bloomberg, AP, Reuters)

WALL STREET WATCH

A Tax Loophole That's About to Close

By Floyd Norris
New York Times Service

NEW YORK — One of Wall Street's better tax dodges seems likely to end soon. But it looks like U.S. investors can still get in on it.

It now appears that the U.S. Internal Revenue Service will soon issue final rules ending the tax benefits of the tactic, which uses equity swaps. But those rules are not expected to apply to equity swaps entered into before they are issued, creating a window of opportunity.

Equity swaps, one of the many derivative securities that the inventive minds of Wall Street have created in recent years, involve the stock's owner giving up all the economic advantages and risks of owning that stock.

In return, the investor gets the income from an investment of the same value, minus some fees for the bank that puts together the swap. The tax advantage comes from the fact that the IRS does not regard the swap of a stock as being the same as selling it.

That can now be of great benefit to an investor who has a substantial short-term capital gain in a stock but is worried that the stock is due for a fall. It effectively enables the investor to close out the position without immediately triggering a tax liability.

That liability will come only after the original purchase is more than a year old and therefore qualifies for long-term capital-gains treatment.

Under current law, long-term capital gains are taxed at a rate no higher than 28 percent, while short-term gains — on positions held for one year or less — are taxed as ordinary income at rates up to 39.6 percent.

Also under current U.S. tax rules, the IRS figures that the long-term time clock keeps ticking when a swap is entered into. In contrast, the general rule is that when an investor hedges a position, such as by purchasing a put option providing the right to sell a stock at a particular price, that turns off the clock.

It has never been clear why equity swaps should be treated differently, but they have been.

"This has been a good way to turn a short-term capital gain into a long-term one," said Robert Gordon, president of 21st Securities, a New York brokerage. But in 1993 the IRS proposed rules to change that. And now U.S. Treasury Department officials, speaking on condition of anonymity, say new rules will soon be issued. They will not say how those rules will differ, if at all, from the 1993 proposal, but it seems likely that the swap provision will survive.

Here is how the swaps work now. If an investor had purchased, say, stock in Digital Equipment Corp. last summer at \$20 a share, the profit now, with the stock at about \$35, would be 75 percent. If that investor was in the top tax bracket and decided to sell the shares, 39.6 percent of the profit would be taxed away.

If, on the other hand, the investor delays selling until a year and a day have passed, the lower long-term capital gains rate of no more than 28 percent would apply. The risk, of course, is that Digital's price might fall by then.

If that investor is nervous about Digital, he could enter into an equity swap now, timing the swap to expire after the year is up. Then he would pay the lower tax rate — and the rate might become even less than 28 percent if the Republicans in control of Congress keep their campaign promise to cut capital-gains taxes.

It has not been easy to enter into equity swaps without a large amount of stock — this is not for the small investor — but someone with a big gain in a stock that now looks shaky might want to look into the possibility.

Time, though, is of the essence. The new rules are expected to change the tax treatment of equity swaps entered into after the new rules are issued.

Why Car-Sales Numbers Don't Add Up

Change in U.S. Automakers' Reporting Date Sows Confusion

By James Bennet
New York Times Service

DETROIT — One might think it a pretty straightforward act, totting up car and light-truck sales.

But when many of the world's automakers — businesses employing thousands of people who no doubt excel at addition — tried to tally their January sales this week, the result was chaos that made it impossible to know whether the market was headed up, down, or sideways.

The automakers could not even agree on how many days their dealers' showrooms had been open last month. The Subaru unit of Fuji Heavy Industries Ltd. said there were 24 sales days; Mitsubishi Motors Corp. said 26; Honda Motor Co. counted 25; and Ford Motor Co. said it would not report its sales until Friday.

The confusion could not have come at a worse time. Investors are already nervous because of ambiguous signs that the auto market is softening. As vehicle sales data, once a reliable economic indicator, disintegrated, analysts were left groping for some sign of the market's condition and grappling with something of an existential crisis.

"I don't know what to believe," said John Casessa, auto analyst with Wertheim, Schroder & Co. in New York. "You're probably going to ask me how I'm going to analyze this stuff, and I have no idea."

The Federal Reserve Board on Wednesday raised U.S. interest rates again, showing its conviction that the economy was growing more quickly than the central bank would like. But all one could safely infer from January's vehicle sales was that automakers badly need to polish their green eyeshades.

Ford said Wednesday that it had earned a record \$1.56 billion in the fourth quarter, more than twice as much as a year earlier. That meant the Big Three U.S. automakers had made more money in 1994 — almost \$14 billion — than ever before.

But the sales figures for January were much less clear, partly because most automakers had changed from their old practice of reporting sales on the third business day of the month to reporting on the first business day, explaining that computerized systems allowed them to report the data more quickly.

Those that did not make the change, however, say sales reports from dealers can take several days to come in. That means the automakers probably failed to count some sales from the last days of January.

But no one knows just how big this undercounting might have been. Both General Motors Corp. and Chrysler Corp. switched to the new system, and both said that sales had fallen during the month, but it was not clear how much of the fall was genuine and how much was a statistical quirk.

Rather unhelpfully, Ford, which did not change its reporting date, predicted that when it releases its numbers Friday, they will show that sales rose in January. Nissan Motor Co. was the other major automaker to hold out against the new reporting date.

Meanwhile, Toyota Motor Corp. said its January sales rose strongly. But perhaps the company did even better than it thinks. "There's too much noise in these numbers, and it would do more harm than good to try to draw any conclusions from them," said Harvey Heimbach, auto analyst for Merrill Lynch in New York. He said he would prefer to ignore them but added, "I realize the market's out going to let us."

The reason the stock market is so insistent that investors are desperate for a clear sense of what is happening in auto showrooms. Automakers have been increasing rebates and cutting production, which would seem to be signs of softening demand, but there is a shortage of reliable hard evidence right now.

The reporting change is likely to distort January sales reports most egregiously. But for the rest of this year, the numbers will still not be truly comparable to the previous year's.

Faced with this confusion, analysts sought guidance from dealers. The trouble was that they offered no consensus. Sales "weren't as good as last January and not as good as they should be," said Linda Schwarz, new-car sales manager at InterCity Chevrolet-Geo in Parma Heights, Ohio. She blamed rising interest rates for the slowdown.

Other dealers said the rates were not biting yet, and that any apparent softness in the market was normal for the winter. "We're about 5 percent up over last January," said Manly Eubank, president of Palmetto Ford in Charleston, South Carolina. "January and February are typically slow."

Caveats aside, GM said Wednesday that its vehicle sales in January fell 5.5 percent, to 329,515. While cars fell 11.6 percent, GM said, trucks gained 4.0 percent. At Chrysler, vehicle sales slipped 6 percent, to 148,638, with light trucks dropping by 9 percent while cars fell by 1 percent.

Honda's sales slipped 5.6 percent, to 46,442. But Toyota said its sales soared by 18.5 percent, to 79,717. Mazda said its sales plunged 23.8 percent, to 18,860.

CURRENCY & INTEREST RATES

Feb. 2

Cross Rates	Feb. 2
Australian dollar	1.3500
British pound	1.6400
Canadian dollar	0.7100
French franc	6.5500
German mark	1.3600
Italian lira	1.3600
Japanese yen	148.00
Netherlands guilder	2.2000
New Zealand dollar	1.3500
Portuguese escudo	200.00
Spanish peseta	166.64
Swedish krona	8.4600
Swiss franc	1.4800
Thai baht	50.00
U.S. dollar	1.0000

Feb. 2

Key Money Rates	Feb. 2
3-month Treasury bill	5.50%
6-month Treasury bill	5.50%
1-year Treasury bill	5.50%
3-month Treasury note	5.50%
6-month Treasury note	5.50%
1-year Treasury note	5.50%
3-month Treasury bond	5.50%
6-month Treasury bond	5.50%
1-year Treasury bond	5.50%

Feb. 2

Interest Rates	Feb. 2
3-month Treasury bill	5.50%
6-month Treasury bill	5.50%
1-year Treasury bill	5.50%
3-month Treasury note	5.50%
6-month Treasury note	5.50%
1-year Treasury note	5.50%
3-month Treasury bond	5.50%
6-month Treasury bond	5.50%
1-year Treasury bond	5.50%

Diesel Device to Get the White-Linen Test

By Erik Ipsen
International Herald Tribune

LONDON — On Friday morning in central London, various British officials will be on hand while one of them gingerly places a white handkerchief over the exhaust pipe of a 13-year-old Leyland Titan bus. If all goes well, the official's hanky will emerge from the experience unblemished.

Thus will begin the efforts of Johnson Matthey PLC, the world's largest manufacturer of catalytic converters for automobiles, to convince skeptics that even notoriously smoky diesel engines can run clean.

After months of on-the-road tests in Britain and Sweden, Johnson Matthey is launching what it bills as its "continuously regenerating trap." Fitted in the exhaust systems of diesel trucks and buses in place of a conventional muffler, the device is said to be able to cut emissions of particulate matter by 92 percent.

To date, the concern over motor-vehicle exhaust has centered on such gases as carbon monoxide, nitrogen oxide and hydrocarbons, the pollutants that conventional catalytic converters are designed to reduce.

The Johnson Matthey system combines that kind of converter with a second chamber in which particulate matter is burned off as well, with the help of a new technology that makes it possible to burn the particles at relatively low temperatures, avoiding the need for an expensive heating of the exhaust.

Even company executives concede, however, though that actually selling the device will not be easy.

"We would like government to encourage its widespread use," said Rob Searles, marketing director for Johnson Matthey's catalytic systems division.

With a price tag of nearly \$4,000 (\$6,300 each) and a life span of as little as five years, the Johnson Matthey unit will need all the help it can get.

What the company is hoping is that growing concern over not just exhaust gas — the sort of emissions tackled by standard catalytic converters — but also the large quantities of particulate matter belched out by diesels will galvanize governments into action.

Various governments, Sweden notable among them, have subsidized the fitting of urban buses with pollution-control devices. In the United States, Johnson Matthey is hoping that the Environmental Protection Agency's tentative plans to require such devices on as many as 30,000 older, dirtier urban buses will help.

An article in the Jan. 21 edition of the British medical journal The Lancet also supports the cause, suggesting that truck and bus exhaust, long acknowledged as an unpleasant fact of urban life, might be something worse than that.

The article links "ultra-fine particles" in the air with increases in cardiovascular and respiratory disease in urban areas and adds that "overall daily mortality increases as the concentration of small particles in the air rises."

In urban areas, much of that particulate matter enters the air from the back ends of trucks and buses. Studies in London have indicated that 18,500 tons of particulate matter is emitted into the city's air each year, the overwhelming bulk of it from diesel-powered trucks and buses.

MARKET DIARY

Technology Issues
Lead Stocks Higher

Compiled by Our Staff From Dispatches
NEW YORK — U.S. stock prices rose Thursday as advances by technology shares overcame concern that the Federal Reserve Board was not finished raising interest rates.

The Dow Jones industrial average closed 23.71 points higher, at 3,870.77. On the Big

74%, and Apple Computer added 1%, to 41%.

"Demand seems to be fairly steady," said Alan Ackerman, market strategist at Reich & Co. "It helps enhance profits when consumer confidence is good."

EMC was the most active issue on the New York Stock Exchange and was up 1/4, at 17 1/2, recovering from 1994 sales.

Auspex Systems rose 1, to 9 1/4 after Morgan Stanley upgraded the issues of the company, which makes client/server computer systems.

Shares of Boeing gained 3/4, to 46 1/4, after the aerospace company said it planned to cut 7,000 jobs. It has already cut 26,000 jobs in the past two years.

"Companies went through strong belt-tightening in 1993, and that paid off in good 1994 profits," said Louis Todd, a partner at J.C. Bradford & Co.

Environmental-control companies rose after Browning-Ferris Industries posted better-than-expected earnings.

U.S. retailers posted strong sales gains for January, with Sears gaining 1, to 46 1/4, Dayton-Hudson adding 2, to 72 1/4, and Wal-Mart jumping 1/4, to 23 1/4. (Bloomberg, AP)

U.S. Stocks

Board, advancing issues outweighed declining issues by a 4-to-3 ratio on volume of 323 million shares.

The benchmark 30-year Treasury bond rose 3/32, to 97 6/32 to yield 7.74 percent, down from 7.75 percent on Wednesday.

Technology issues gained for a second day amid optimism that rising interest rates had not slowed spending by consumers and businesses on computers, facsimile machines and cellular telephones.

The move by companies to upgrade existing computers with ones using Intel's stop-of-the-line Pentium microprocessor is driving purchases of computers, analysts said.

Texas Instruments gained 1 1/4, to 71 1/4, LSI Logic Corp. jumped 1 1/4, to 45 1/4, and Loral rose 3/4, to 40 1/4. IBM rose 1/4, to

The Dow

Daily closings of the Dow Jones industrial average

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Dow Jones Averages

Open High Low Last Chg.

Indus. 3,870.77 3,870.77 3,870.77 3,870.77 -1.19

Transp. 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

Unch. 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

Finance 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

SP 100 4,379.45 4,379.45 4,379.45 4,379.45 -2.51

Standard & Poor's Indexes

Indus. 3,870.77 3,870.77 3,870.77 3,870.77 -1.19

Unch. 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

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SP 100 4,379.45 4,379.45 4,379.45 4,379.45 -2.51

NYSE Most Active

Vol. High Low Last Chg.

EMC 3,571.75 3,571.75 3,571.75 3,571.75 -1.19

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Unch. 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

Finance 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

SP 100 4,379.45 4,379.45 4,379.45 4,379.45 -2.51

NASDAQ Most Active

Vol. High Low Last Chg.

EMC 3,571.75 3,571.75 3,571.75 3,571.75 -1.19

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Finance 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

SP 100 4,379.45 4,379.45 4,379.45 4,379.45 -2.51

AMEX Most Active

Vol. High Low Last Chg.

EMC 3,571.75 3,571.75 3,571.75 3,571.75 -1.19

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Finance 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

SP 100 4,379.45 4,379.45 4,379.45 4,379.45 -2.51

Market Sales

Today Prev.

NYSE 2,224.4 473.3

Nasdaq 2,271.3 369.3

AMEX 2,271.3 369.3

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Indus. 3,870.77 3,870.77 -1.19

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NASDAQ Diary

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Finance 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

SP 100 4,379.45 4,379.45 4,379.45 4,379.45 -2.51

Spot Commodities

Commodity Today Prev.

Aluminum 1,055.51 1,055.51 -1.44

Unch. 1,055.51 1,055.51 -1.44

Finance 1,055.51 1,055.51 -1.44

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Finance 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

SP 100 4,379.45 4,379.45 4,379.45 4,379.45 -2.51

EUROPEAN FUTURES

Open High Low Last Chg.

Indus. 3,870.77 3,870.77 3,870.77 3,870.77 -1.19

Transp. 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

Unch. 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

Finance 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

SP 100 4,379.45 4,379.45 4,379.45 4,379.45 -2.51

NASDAQ Most Active

Vol. High Low Last Chg.

EMC 3,571.75 3,571.75 3,571.75 3,571.75 -1.19

Transp. 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

Unch. 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

Finance 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

SP 100 4,379.45 4,379.45 4,379.45 4,379.45 -2.51

AMEX Most Active

Vol. High Low Last Chg.

EMC 3,571.75 3,571.75 3,571.75 3,571.75 -1.19

Transp. 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

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Finance 1,055.51 1,055.51 1,055.51 1,055.51 -1.44

SP 100 4,379.45 4,379.45 4,379.45 4,379.45 -2.51

Market Sales

Today Prev.

NYSE 2,224.4 473.3

Nasdaq 2,271.3 369.3

AMEX 2,271.3 369.3

SP 100 4,379.45 4,379.45 -2.51

Indus. 3,870.77 3,870.77 -1.19

NASDAQ

Thursday's 4 p.m.

This list compiled by the AP, consists of the 1,000 most traded National Market securities in terms of dollar value. It is updated twice a year.

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Chg
12/94	1/95	2/95									
1	2	3	4	5	6	7	8	9	10	11	12
13	14	15	16	17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	32	33	34	35	36
37	38	39	40	41	42	43	44	45	46	47	48
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61	62	63	64	65	66	67	68	69	70	71	72
73	74	75	76	77	78	79	80	81	82	83	84
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133	134	135	136	137	138	139	140	141	142	143	144
145	146	147	148	149	150	151	152	153	154	155	156
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997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008
1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020
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1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044
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1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116
1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128
1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140
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SPORTS

25 Years After 'Ball Four,' Baseball's Leper Is Still Talking

By Philip Crawford

GREAT BARRINGTON, Mass. — It is a frigid, winter-in-the-Berkshires night outside, but it is warm and cozy inside the Castle Street Cafe where, amid the puffy crush at the bar, there's a group of people clustered around one man.

He looks very familiar, at least to sports fans of a certain generation, but it's difficult to put your finger on who he is. Then you hear him say a couple of words — "strike zone" — and suddenly it hits you.

It's Benedict Arnold. The Disgrace to the Game. Or, most memorably, The Social Leper.

Jim Bouton earned these sobriquets 25 years ago with the publication of one of the best-selling sports books ever written, "Ball Four," a diary of Bouton's 1969 season as a pitcher for the Seattle Pilots, who later became the Milwaukee Brewers, titillated readers with tales of what really went on in major-league locker rooms and bullpens.

Bouton's status as a former star — he had won 39 games for the New York Yankees over the 1963 and 1964 seasons, plus two in the '64 World Series — helped plug the book initially, but sales took off like a screaming line drive after Bowie Kuhn, then baseball's commissioner, publicly castigated Bouton for doing a "grave disservice" to the game.

The crime, of course, was revealing ball players as they really were, rather than as faultless heroes worthy of blind worship.

Still unfazed by the vitriol that "Ball Four" wrought among baseball's establishment (including many players), full of typically nonchalant opinions on the current baseball strike and flush from the recent publication of his first novel, Bouton, now in his mid-50s, appears to have taken to Life After Baseball with rare verve.

He tours the country giving motivational talks to Fortune 500 corporations, runs his own product-development company and, these days, spends the rest of his time

helping to build a new home not far from here, where he lives with his wife, Paula, a psychologist.

The furor over "Ball Four" resounds to this day because, of the now hundreds of ghostwritten books that bear a famous athlete's byline, few have been as frank, poignant or entertaining. The reason is that few other athletes have been willing to risk being ostracized to the extent that Bouton was.

"I can see how guys felt their privacy was invaded by 'Ball Four,'" Bouton says, reflecting on 25 years of notoriety. "And I probably would have felt the same way. But you also have to ask if anything was presented unfairly, untruthfully, harshly or in an overly embarrassing way, which I don't think it was."

"I was also accused of not holding anything back but, believe me, I heard plenty of racial and anti-Semitic remarks that I never put in. And I never put anybody in bed with the wrong person."

Bouton says he hasn't lost any friends

that he really considered friends as a result of the book. And he's still a player's player as far as baseball owners and the current strike are concerned.

"The owners are wrong," he says. "And when they have to give in, it will be the most humiliating defeat of their lives. They're a bunch of multimillionaires who never had a cap on their earnings, and now they want to put caps on other people. I'm embarrassed and ashamed for them. They don't want to live with the free-enterprise system when it applies to themselves."

Is Bouton bitter at today's player salaries, having been paid \$10,500 for the 1963 season in which he went 21-7?

"Not at all," he says. "I'm glad to see players getting their fair share of the money that baseball brings in."

His new book, "Strike Zone," co-written with Eliot Asinof, is the story of an aging knuckleballer (sound familiar?) who gets one last chance to start a big game. What he doesn't know is that the home plate

umpire has been coerced into fixing the game against him. It's an engaging read, despite being glutted with more than its share of clichés and contrived jock-speak.

What helps it, however, is the same thing that made "Ball Four" the book that it was, and still is: Bouton's willingness to bare the little-kid side of the male professional athlete's soul. He's still able to talk about what a huge ego trip it is, or was, to be a big leaguer, and his confessed fantasies in which he is always the adored star player are standard American-male fare.

Indeed, it's Bouton's humanness that has made "Ball Four" in the words of the writer David Halberstam, "a book deep in the American vein, so deep that it is by no means a sports book."

Bouton still even leafs through "Ball Four" himself these days. "And I almost always laugh out loud. Not because I'm funny, but because the players are funny. People still ask me if I made all those stories up, and the answer, of course, is no. I can't write that well."

Owners Pitch Deal to Players

By Mark Maske

Washington Post Service

WASHINGTON — Major league baseball's team owners have given the striking players a proposal that includes a two-tiered payroll system and adopts some of the cooperative-venture measures the union proposed in December.

The deadline established by President Bill Clinton for a settlement or something close to one appeared to have given the talks, the first in 40 days, a sense of urgency, according to spokesmen for each side.

The president has said that if there is not significant progress in negotiations by Monday, he may ask his special mediator, W.J. Uster, to recommend a settlement. Uster's proposal could become the basis for legislation that, if approved by Congress, would impose the terms on the owners and players.

The head of the players association, Donald Fehr, said union officials and players planned to spend Thursday reviewing the proposal. A full reply may not come until Friday.

There was a recognition by both sides that there was significant pressure being applied now, and if we don't get something done, there will be more," Fehr said.

Management officials contended the proposal was a significant breakthrough because it no longer guarantees the owners the "cost certainty" they had been seeking throughout the long and bitter negotiations. The owners' previous taxation proposals — like the salary cap system they put into effect Dec. 23 — sought to limit the player compensation to 50 percent of designated industry revenues.

But, privately, some of those on the players' side said the proposal left them as pessimistic as ever that a deal could be struck soon.

The owner's new taxation proposal would be phased in over four years. After the four years, teams would be assessed a 75 percent tax on all money devoted to player compensation above a threshold of \$35 million. Clubs would be taxed at a rate of 100 percent on all funds spent on players above \$42 million.

The money derived from those taxes would be devoted to the players' pension and benefit plan, said John Harrington, general partner of the Boston Red Sox and the chairman of the owners' negotiating committee. Unlike the owners' previous tax proposals, only the average, not the entire payroll, would be taxed.

In their proposal, which calls for a seven-year agreement, the owners also established new minimum salaries and included the joint "industry growth fund" that first was proposed by the players.

The owners said they had eliminated some of the noneconomic proposals that players had objected to in previous plans. For example, teams no longer would be permitted to release players for any reason at any time during the season.

Also during the day, the National Labor Relations Board said it would rule within two weeks on the unfair labor practice charges filed by both sides.

On Wednesday night, players and union officials gave a reception at Washington's train station attended by about 70 members of Congress. The union still is lobbying to have the owners' 73-year-old exemption from federal antitrust laws repealed or limited.

The union and its consultants bought 600 baseballs for the 50-some big name players to sign for the politicians, their families and their staffs during the party.

"Usually, when you attend a function like this in Washington, you're the person getting all of the attention," Senator John S. McCain 3d of Arizona said. "But tonight, no one's even noticing us."

Stockton Breaks Assist Mark Master of the Pass Is Relieved to Pass Magic

By Mark Heisl

Los Angeles Times Service

SALT LAKE CITY — The pass to the Mailman on the baseline, the shot, the record, the moment!

The cheers, the minicams, the ceremonies, the interviews ... Oh, nooooo!

Had John Stockton known it was going to be so much trouble, he'd never have gotten this good. A man like Stockton, who does his own plumbing, isn't anxious to tell reporters about his leisure activities. A man like Stockton, who sneaks out side doors to avoid signing autographs on the way to the bus, certainly wouldn't do anything as stupid as breaking Magic Johnson's assist record in the National Basketball Association.

But that was what Stockton did with Wednesday night's 11th assist — a routine pass to Karl Malone posting up for a

fadeaway 15-footer — as the Utah Jazz buried the Denver Nuggets, 129-88.

Stockton had 12 assists by halftime, played only seven minutes after that and finished the night with 16, giving him 9,927 and, at long last, a little peace and quiet.

"It feels great to have it over with," he said at the postgame news conference, smiling pub-

NBA HIGHLIGHTS

licly for one of the few times this week. "I think when this meeting is over with, it'll be even greater."

As stars go, Stockton is an enigma — strong-willed, personable, but uncomfortable in the public eye. As a player, he is a marvel of efficiency.

There have been only eight 1,000-assist seasons in NBA history; Stockton has six. Isaiah

Thomas and Kevin Porter had the others.

Stockton started Wednesday night's game needing 10 to tie Johnson at 9,921. He had been knocking off big numbers for a week — 15 in Seattle, 14 against New Jersey, 14 against Minnesota — intent on ending the twin chase: Stockton pursuing Johnson, the media pursuing Stockton.

Wednesday, he got it over with.

Stockton had five assists before he took his first shot, a 17-footer, which he made.

No. 10, tying Johnson, was to Tom Chambers for an 18-foot jumper.

Moments later, Stockton passed the ball to Malone, posted up, Malone sank the 15-footer that put his little buddy in the books by himself.

"I'm glad it's over for Stock," Malone said. "When he's ordinary, it kind of sits down through the team because he's our captain."

That's how John Stockton left Magic Johnson in his rearview mirror, in one corner of the record books, anyway. Whatever it means, Stockton's total is going higher.

"With his body and the way he plays," Johnson said a few days ago, "he's going to play for a long time. Nobody will break his records."

It's all downhill now. For Stockton, the first 9,922 were the hardest.

Spurs 111, Trail Blazers 107: David Robinson scored 34 points as San Antonio ran its winning streak to five with a victory in Portland.

Suns 118, Lakers 109: Danny Manning got 30 points and 10 rebounds, while Charles Barkley had 22 points and 15 rebounds, as the Suns beat the team that ended their franchise-record 25-game home winning streak Dec. 30.



John Stockton, despite the Nuggets' Mahmoud Abdul-Rauf, got the pass to Karl Malone for assist 9,922.

No. 1 UMass Defeats St. Joseph's, But Loses Top 2 Players to Injury

ITT Is Calling Off NBA, NHL Bets

The Associated Press

The No. 1 team in college basketball lost its No. 1 and No. 2 players.

Marcus Camby and Lou Roe were injured as top-ranked Massachusetts beat visiting St. Joseph's, 74-62, in an Atlantic 10 game Wednesday night. How long they will be out remained to be seen.

Camby, a 6-foot, 11-inch center who is the team's top shot blocker and No. 2 scorer, will be out at least two weeks with a pulled hamstring. If a re-evaluation finds a tear in the muscle, Camby could be done for the season.

Roe's injury was not believed to be as serious. The leading scorer and rebounder for Massachusetts, he left the game clutching his left knee with 5:09 left. It was later diagnosed as a thigh cramp, but Roe didn't return to the game.

UMass, which trailed at halftime for only the second time this season, came out aggressively in the second half and took

the lead for good, 34-33, on Roe's short bank shot. He made nine of 10 shots, scored 19 points and had five rebounds and three blocks.

No. 5 Maryland 71, No. 15 Virginia 62: Joe Smith, the All-American sophomore center, had 29 points, 21 rebounds and 7 blocked shots — his 28th double-double in 50 college starts.

No. 24 Oklahoma 79, No. 11 Iowa State 78: Prince Fowler made two free throws with four seconds left to give the Sooners a Big Eight victory after Iowa State rallied from a 15-point deficit in the second half.

Dion Barnes scored a career-high 22 points and John Onies had 12 assists for the Sooners, who handed Iowa State its second straight loss.

No. 20 Alabama 65, Auburn 63: Visiting Auburn's Lance Weems of Auburn got off a falling jumper that banked in, but the officials ruled that it came after the final buzzer in the Southeastern Conference game.

The Associated Press

LAS VEGAS — Gamblers wanting to bet on NBA and NHL games will soon have to do so some place other than Caesars Palace and two other casinos operated by ITT Corp.

ITT said Wednesday it will stop taking bets on games involving the New York Rangers of the NHL and New York Knicks of the NBA when its deal to buy the two teams and Madison Square Garden goes through, probably by next week.

The casinos will stop taking bets on all games in the two leagues "at the end of an unspecified transition period" under an agreement with the leagues that allows ITT to buy the teams. The transition period was believed to be the end of the current seasons.

NFL Says It Will Discuss Changes in Playoff Format

Compiled by Our Staff From Dispatches

WASHINGTON — In the wake of the American Football Conference team's fourth straight Super Bowl rout by the National Football Conference team, the National Football League will soon begin discussing the feasibility of changing the playoff format, league sources said.

"It's clear that we can't continue with sustained blowouts in our biggest game of the year," an NFL executive said Wednesday. But he emphasized that any change would involve a long process and almost certainly would not be presented to club owners for a vote at their winter meeting next month.

In San Diego, Bill Arnberger, one of the NFL's top defense strategists, said he was retiring after 23 seasons.

"There's a time for everything. I felt like this was the time for me to step down," he said, adding that his Chargers' 49-26 loss to the San Francisco 49ers had not affected his decision.

The Chargers' quarterback, Stan Humphries, faced surgery after dislocating his left elbow, while hitting golf balls on a driving range. He was to play in the AT&T Pebble Beach Pro-Am that began Thursday.

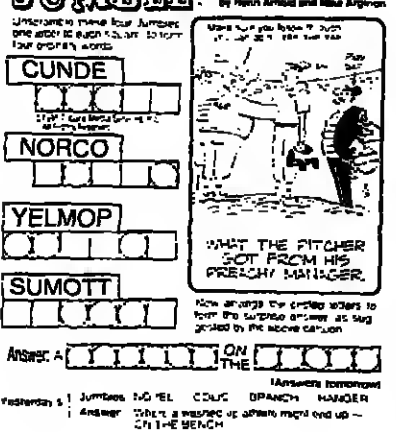
(WP, AP)

DENNIS THE MENACE



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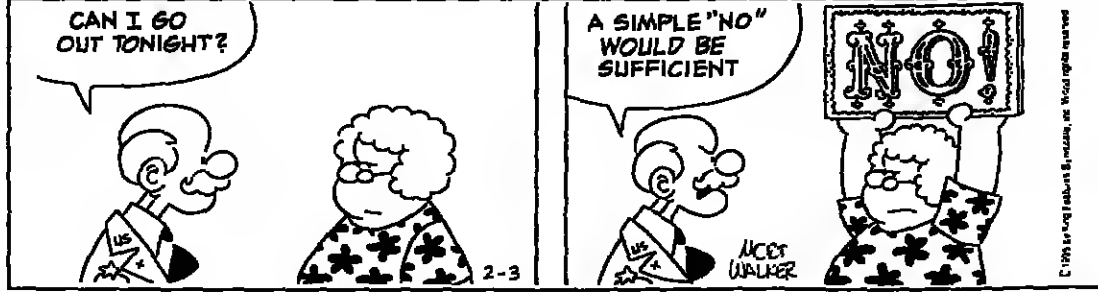
PEANUTS



GARFIELD



BEETLE BAILEY



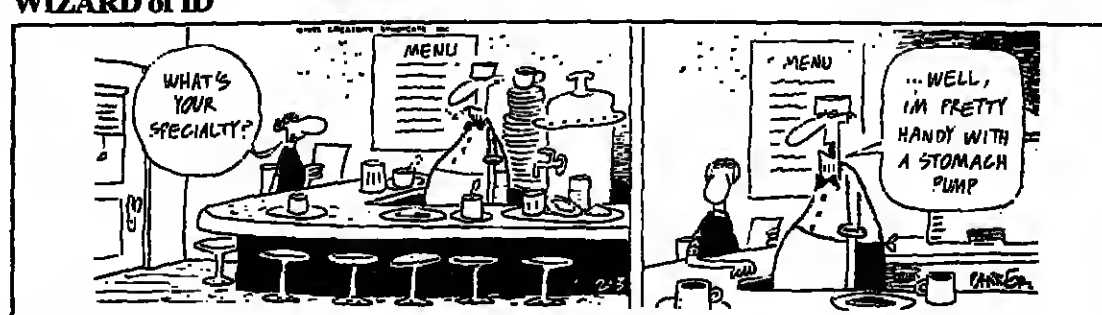
DOONESBURY



CALVIN AND HOBBES



WIZARD OF ID



THE FAR SIDE



BLONDIE



SPORTS

NHL and IIHF Set the Stage for a 'Super League' of Hockey in Europe

By Ian Thomson
International Herald Tribune

LONDON — The National Hockey League is planning to sponsor a European league, starting as early as September 1996, which could lead to the first exclusive "super league" on the Continent.

Negotiations between the NHL and the International Ice Hockey Federation (IIHF) were resuscitated Tuesday and Wednesday in Naples, Florida, for the first time since the NHL shut down last fall. The least ambitious plan would mimic the European Cup competitions waged by soccer, basketball and other sports, with teams remaining in their domestic leagues.

A grander scheme is also under consideration. It would pluck the best teams from the domestic leagues and elevate them to one pan-European super league.

The vague announcement of such possibilities by the NHL and IIHF Wednesday night came in response to plans revealed earlier this week by the International

Hockey League (IHL), a minor North American league of 17 clubs, to create a European division of seven teams in 1996-97. Six of the IHL members will be existing clubs in Austria, Denmark, France, Italy, Sweden and Switzerland; a seventh team will be created in Britain.

The IHL's European and North American divisions will compete head to head throughout the season. Strict wage policies have held the average player's salary in the IHL to \$62,000, and half its tickets are priced at \$10 or less. A similar scenario is anticipated for its European division.

The IHL has averaged about 8,000 spectators per game during the lockout of NHL players this season. It is seeking to mine Europe while the NHL is still reeling from labor troubles, and it is doing so without the cooperation of, and in direct competition with, the international federation.

"The NHL would like to create a subsidiary league in Europe," said David Hudley, a spokesman for the potential British IHL

franchise. "We don't think their league will create as much interest as our teams going into the U.S."

In response to this threat, countries who are members of the international federation may be forced to sacrifice their best teams for a new European league.

"We don't start with a league without the cooperation of our member associations," Jan-Ake Edvinsson, secretary general of the Swiss-based international federation, said in a telephone interview from Florida. "But you are also aware of ideas coming from different organizations, of different American groups coming to Europe with their ideas of different leagues. It is better if it is under our control."

In other words: If a new league is coming to Europe, then the IIHF wants a hand in running it. With the help of the NHL, the federation hopes to maintain authority against renegades.

"I don't think they'll have a good chance to compete with us in the long term,"

Edvinsson said of the IHL's European division. "Perhaps they can start something in the short term, but without our cooperation I don't feel there is the potential for them to survive."

Other sports have had such big ideas. The international basketball federation, FIBA, has longed to form an exclusive European league from its heavyweight clubs in Italy, Greece, Spain, France, Germany and the countries that were once Yugoslavia. But some national federations feared that their own leagues would be diminished, and FIBA had to settle for an expanded cup competition similar to soccer's European Champions' League.

Furthermore, the prime directive of the National Basketball Association is its promise to not expand overseas, believing it would divert attention from the grassroots basketball movement in Europe.

European hockey isn't nearly as self-reliant as basketball. The NBA rarely bothers to acquire a player from Europe;

but the NHL considers Europe a training ground. It presently has more than 100 current players stripped from the Continent, which has empowered the league to expand in North America and forced the NHL and IIHF to become partners in regulating such transfers.

Hockey leagues of fulltime professional players are limited to Germany, Switzerland, the Czech Republic, Slovakia, Russia and the Scandinavian countries; competition in France, Italy, Austria and Britain is not fully professional, according to Edvinsson.

The argument for an exclusive European league is that popularity generated by the big-market clubs would create more interest in hockey, leading to greater support for the smaller, local clubs. In other European sports, however, the smaller clubs have yet to agree to such terms.

"What's important is that these leagues will not be destroyed," said Edvinsson, who said he thought terms of the European league will be announced at the IIHF con-

gress at Stockholm in May. "You could have a kind of European cup competition, you could have a kind of league; but it's too early to say anything. What the plans are going to be, we need to discuss."

The IIHF has also moved closer to involving NHL stars in the Winter Olympics starting in 1998 and, starting in 1997, to possibly creating an international tournament replacing the quadrennial Canada Cup.

The NHL commissioner, Gary Bettman, who ran the Florida meetings this week, is following the model created by his former boss at the NBA, Commissioner David Stern, who made basketball popular the world over and then collected the receipts. If Bettman is successful, Europe will become a consumer market for NHL products and television programming.

And if he can install the European "Super League" rejected by basketball, then in some ways he might gain the initiative over his old boss.

SIDELINES

Tennis Great Perry Dies in Melbourne

LONDON (AP) — Fred Perry, the Wimbledon singles champion in 1934, '35 and '36 and the last British man to win the men's title, died Thursday in Melbourne, Wimbledon officials announced.

Perry was hospitalized after he fell at a hotel in Melbourne on Jan. 29 and broke some ribs, the Australian Associated Press reported. He had been there to watch the Australian Open, which ended Sunday.

Before turning professional in 1936, Perry won eight Grand Slam singles titles, including U.S. titles at Forest Hills in 1933, '34 and '36 and the 1935 French and 1934 Australian championships. He was the first player to win all four major singles, but did not hold them concurrently.

Luna Leads in Golf

FUNCHAL, Madeira (AP) — Santiago Luna of Spain shot 5-under-par 67 Thursday for a one-stroke lead after the first round of the Madeira Island Open.

Six players were one stroke back and eight were two off the lead, although none were the European tour's stars. Fifty-two players shot par or better on a spring-like day.

Accola Out Season

ZURICH (AP) — Paul Accola, who won the overall World Cup in 1992, said Thursday he expects to miss most of the season after a high-speed collision with his coach during training the day before.

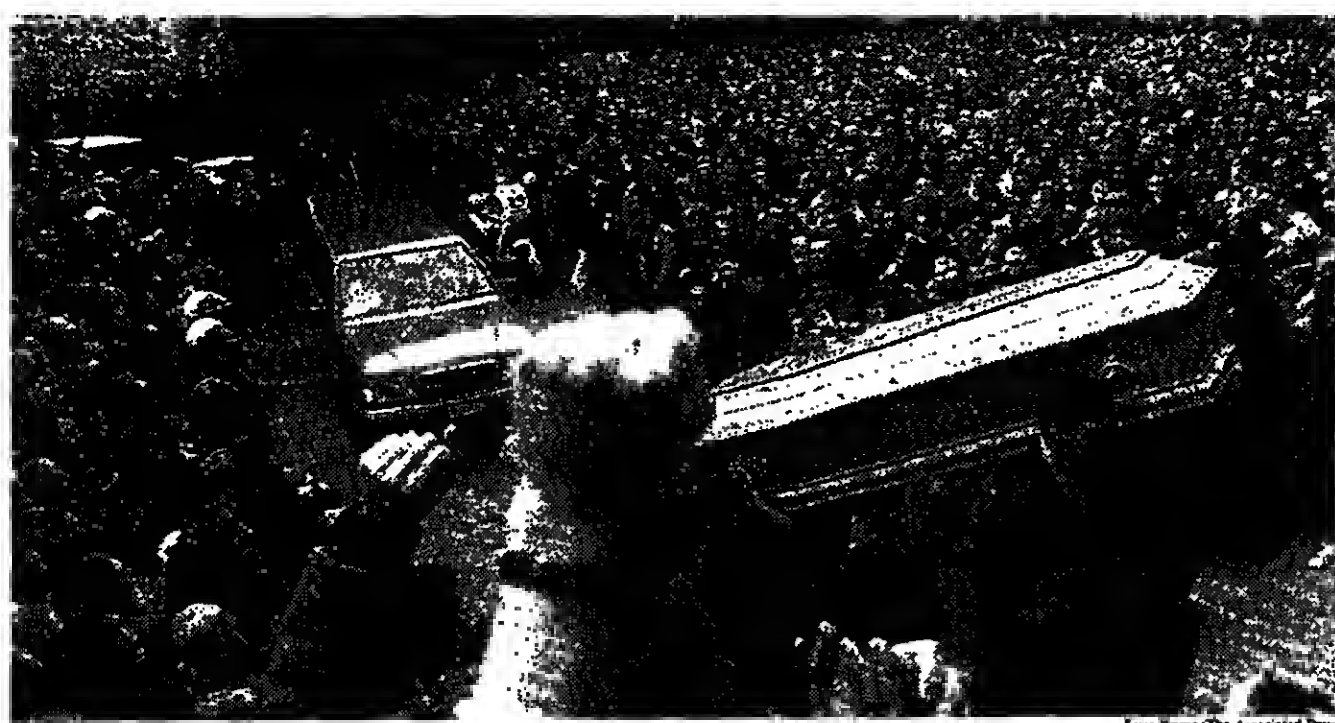
The 28-year-old Swiss skier damaged right knee ligaments and cartilage when he crashed into Fritz Zuger during giant slalom practice in Veysonnaz. Zuger suffered seven broken ribs, a pierced lung, and a bruised kidney and liver.

For the Record

Art Shell was fired as coach of the Los Angeles Raiders and will be replaced by an assistant, Mike White.

George Foreman will still fight Axel Schulz of Germany, the promoter Bob Arum said; the WBA reiterated its threat to strip Foreman of its heavyweight title.

The America's Cup challenger and defender races were postponed because of a lack of wind.



MURDERED FAN BURIED — Hundreds turned out Thursday in Genoa, Italy, for the funeral of Vincenzo Spagnolo, 24, who was stabbed to death Sunday. Simone Barbaglia, a 19-year-old Milan fan, has been charged with murder.

SCOREBOARD

BASKETBALL

NBA Standings

Atlantic Division	W	L	Pct.	GB
New York	24	14	.630	—
Orlando	23	15	.605	1
Charlotte	21	17	.556	3
Washington	19	19	.500	5
Philadelphia	18	20	.474	6
Indiana	17	21	.444	7
Cleveland	16	22	.421	8
Atlanta	15	23	.395	9
Washington	14	24	.368	10

Central Division	W	L	Pct.	GB
Chicago	24	14	.630	—
Minnesota	23	15	.605	1
San Antonio	21	17	.556	3
Phoenix	19	19	.500	5
Portland	18	20	.474	6
Utah	17	21	.444	7
Denver	16	22	.421	8
San Antonio	15	23	.395	9
Phoenix	14	24	.368	10

Western Conference	W	L	Pct.	GB
Los Angeles	24	14	.630	—
Golden State	23	15	.605	1
Seattle	21	17	.556	3
Portland	19	19	.500	5
Utah	18	20	.474	6
San Antonio	17	21	.444	7
Phoenix	16	22	.421	8
Los Angeles	15	23	.395	9
Golden State	14	24	.368	10

Eastern Conference	W	L	Pct.	GB
Atlanta	24	14	.630	—
Charlotte	23	15	.605	1
Washington	21	17	.556	3
Orlando	19	19	.500	5
Philadelphia	18	20	.474	6
Indiana	17	21	.444	7
Cleveland	16	22	.421	8
Atlanta	15	23	.395	9
Charlotte	14	24	.368	10

Top 25 College Results

W	L	Score
Northwestern	74	61
Michigan	73	58
Indiana	72	57
Illinois	71	56
Ohio State	70	55
Wisconsin	69	54
Michigan State	68	53
Nebraska	67	52
Arizona	66	51
California	65	50
UCLA	64	49
Stanford	63	48
Georgia Tech	62	47
Florida	61	46
North Carolina	60	45
South Carolina	59	44
Alabama	58	43
Arkansas	57	42
Mississippi State	56	41
Kentucky	55	40
West Virginia	54	39
Oregon	53	38
Washington State	52	37
Utah State	51	36
Idaho	50	35
Montana	49	34
Wyoming	48	33
Colorado	47	32
Arizona State	46	31
San Diego State	45	30
New Mexico State	44	29
South Dakota	43	28
North Dakota	42	27
Nebraska-Kearney	41	26
Southwest Texas State	40	25
Central Texas State	39	24
Arkansas State	38	23
Mississippi Valley State	37	22
Alabama State	36	21
Georgia State	35	20
Florida State	34	19
Georgia	33	18
South Carolina State	32	17
North Carolina State	31	16
Virginia Tech	30	15
Wake Forest	29	14
Duke	28	13
UNC-Chapel Hill	27	12
NC State	26	11
Virginia	25	10
Old Dominion	24	9
Radford	23	8
Shenandoah	22	7
West Virginia State	21	6
Marshall	20	5
Appalachian State	19	4
UNC-Wilmington	18	3
UNC-Charlotte	17	2
UNC-Asheville	16	1
UNC-Greensboro	15	0
UNC-Spartanburg	14	0
UNC-Charlotte	13	0
UNC-Charlotte	12	0
UNC-Charlotte	11	0
UNC-Charlotte	10	0
UNC-Charlotte	9	0
UNC-Charlotte	8	0
UNC-Charlotte	7	0
UNC-Charlotte	6	0
UNC-Charlotte	5	0
UNC-Charlotte	4	0
UNC-Charlotte	3	0
UNC-Charlotte	2	0
UNC-Charlotte	1	0

Other Major College Scores

W	L	Score
Northwestern	74	61
Michigan	73	58
Indiana	72	57
Illinois	71	56
Ohio State	70	55
Wisconsin	69	54
Michigan State	68	53
Nebraska	67	52
Arizona	66	51
California	65	50
UCLA	64	49
Stanford	63	48
Georgia Tech	62	47
Florida	61	46
North Carolina	60	45
South Carolina	59	44
Alabama	58	43
Arkansas	57	42
Mississippi State	56	41
Kentucky	55	40
West Virginia	54	39
Oregon	53	38
Washington State	52	37
Utah State	51	36
Idaho	50	35
Montana	49	34
Wyoming	48	33
Colorado	47	32
Arizona State	46	31
San Diego State	45	30
New Mexico State	44	29
South Dakota	43	28
North Dakota	42	27
Nebraska-Kearney	41	26
Southwest Texas State	40	25
Central Texas State	39	24
Arkansas State	38	23
Mississippi Valley State	37	22
Alabama State	36	21
Georgia State	35	20
Florida State	34	19
Georgia	33	18
South Carolina State	32	17
North Carolina State	31	16
Virginia Tech	30	15
Wake Forest	29	14
Duke	28	13
UNC-Chapel Hill	27	12
NC State	26	11
Virginia	25	10
Old Dominion	24	9
Radford	23	8
Shenandoah	22	7
West Virginia State	21	6
Marshall	20	5
Appalachian State	19	4
UNC-Wilmington	18	3
UNC-Charlotte	17	2
UNC-Asheville	16	1
UNC-Greensboro	15	0
UNC-Spartanburg	14	0
UNC-Charlotte	13	0
UNC-Charlotte	12	0
UNC-Charlotte	11	0
UNC-Charlotte	10	0
UNC-Charlotte	9	0
UNC-Charlotte	8	0
UNC-Charlotte	7	0
UNC-Charlotte	6	0
UNC-Charlotte	5	0
UNC-Charlotte	4	0
UNC-Charlotte	3	0
UNC-Charlotte	2	0
UNC-Charlotte	1	0

NHL Standings

Edmonton 51, 52, Nebraska 65	
S. Minnesota 72, Tulsa 71	
Tulsa 77, Cent. Michigan 68	
W. Michigan 54, Akron 49	
SOUTHWEST	
Boylar 72, Ala.-Kanssas City 89	
Houston 105, Texas 94, OT	
Louisiana Tech 65, Lamar 40	
Oral Roberts 111, North-Texas 56	
Texas Tech 44, Rice 43	

1979-80 N.H.L. Standings

EASTERN CONFERENCE						
Atlantic Division						
	W	L	T	Pts	GF	GA
N.Y. Islanders	3	2	1	7	17	11
Toronto Bay	3	3	0	6	18	18

OBSERVER

Back to States' Rights

By Russell Baker

NEW YORK — Somebody on the Brinkley show Sunday asked Governor Whitman of New Jersey about the Republican "revolution" and she looked uneasy with the word, but then went ahead and accepted it, hedging that, well, it was "in some sense" a "revolution."

It was one of the few reassuring public moments we've had from a Republican since the media and Washington succumbed to Noot's madness.

No Republican worth the name can hear the word "revolution" without at least an interior shudder of revulsion. This, I fancied, accounted for that ever so brief pause by the elegant Whitman when she was asked to acknowledge that she was in league with Robespierre.

Noot himself, however, seems to like the "revolutionary" tag. He often manages to talk like one, using inflammatory excesses that make even his press claque wince. By talking of "zeroing out" programs, he has created a neologism for "liquidating" or "disappearing."

Revolutionary or not, there seems no stopping the Washington image projectionists. They have latched onto "revolution" and "revolution" it is going to be until the word loses its power to ratchet up excitement a notch or two.

In the past week some word-smiths have been floating the word "devolutionary" as a kinder, gentler alternative to describe the Nootish philosophy. "Devolutionary" looks and sounds lumpy, lacks fire on the tongue and needs a professor to explain what it means. I predict it will fade in the second furrow.

"Reactionary" would be a more accurate word for that part of the Republican Congress that is in love with "states' rights." Their passion for this discredited old doctrine reminds us how lit-

tle American young people know their history.

And the House's new Republicans, whether "revolutionaries" or "devolutionaries," are unarguably young, the great majority having first seen the light in the baby-boom years. To those who were parents in the baby-boom years the cry of "states' rights" is a call not for revolution, but for the preservation of a Southern culture of apartheid.

That history explains why the states lost so much of their power to the Federal. "States' rights" came to mean George Wallace, Ross Barnett, Orval Faubus, Bull Connor, White Citizens' Councils, Ku Klux Klan dynamiters and other horrific enemies of what Everett Ruess — a truly conservative Republican — called "a time whose idea has come."

People who know what "states' rights" meant just 35 years ago may admire the Republicans for taking up that threadbare old banner, but they also know it's not "revolutionary." The proper word is "reactionary." This eagerness to give states' rights a second chance is weird for people who don't believe in parole.

In Washington the system of financing campaigns with PAC contributions, which is a form of legalized bribery, makes members of Congress relatively expensive commodities for the lobbyist who wants laws written his way. Giving federal power over big-money matters back to the states seems likely to raise the prices state legislators want for their votes.

I speak with mildly facetious cynicism, of course, for no serious person truly believes our state legislators can be purchased by mafiosi of great wealth. Consider, for example, the splendid character of your own state legislator. You do know who he is, don't you? Ah... I see.

New York Times Service

Hollywood: Contract With Newt?

By Katharine Q. Seelye

WASHINGTON — Speaker Newt Gingrich likes to talk about renewing civilization, but did he mean Hollywood, too?

Some in Hollywood think so. The movie moguls want to bring him out. Not to star in a picture, at least not yet. But to star at a gala dinner to give a lift to conservatives in Tinseltown.

"Newt is a huge celebrity," said David Horowitz, an author and former lefty who turned right in the early 1980s and now promotes conservative views in Hollywood through his nonprofit Center for the Study of Popular Culture.

Horowitz dropped in on the speaker's press secretary the other day. Horowitz met Gingrich a few years ago, after Horowitz wrote a book called "Destructive Generation," a critical look at the 1960s. Gingrich read the book and invited him and his co-author, Peter Collier, to Washington for lunch. "In June, I want to bring Newt out to Hollywood," Horowitz told the press secretary, Tony Blankley, last Friday.

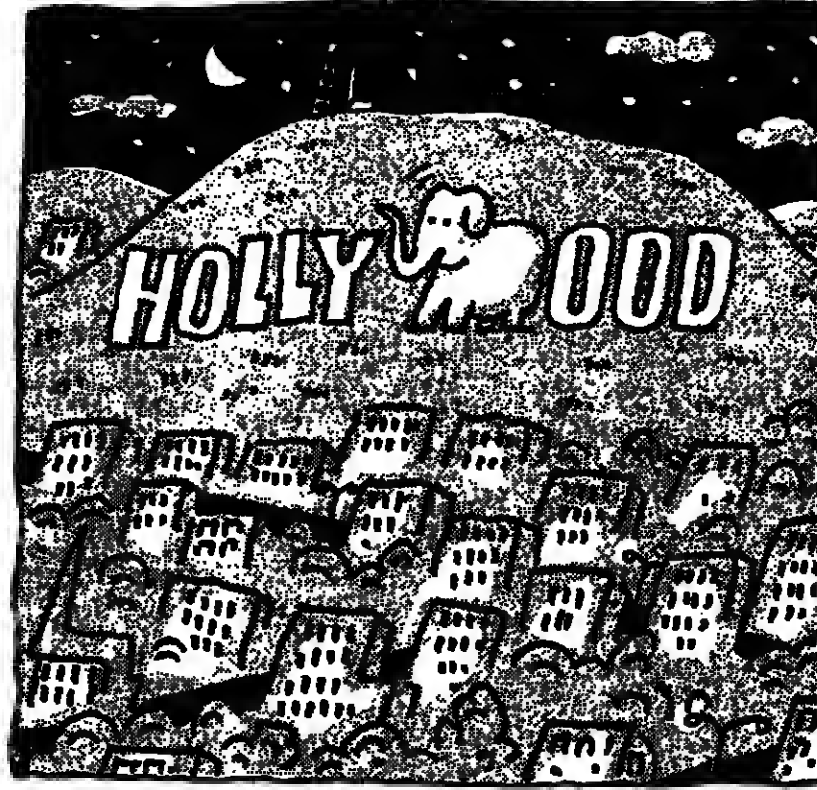
Horowitz said he wants Gingrich, Republican of Georgia, to be the star attraction at a dinner with Arnold Schwarzenegger, Kevin Costner, Delta Burke, Cheryl Ladd, Gerald McRaney, other actors and scores of "wheeler-dealers" whom Horowitz said he could not identify but nonetheless is eager to celebrate the Republican revolution on Capitol Hill. "Sounds fabulous," said Blankley.

Blankley had no trouble adopting the mogul lingo, having grown up in Hollywood and worked as a child actor in such movies as "The Harder They Fall" with Humphrey Bogart.

"Hollywood is moving like crazy," Horowitz went on. "The liberals are all fed up with Clinton. Clinton is over. It's happening. We'll do Power Rangers. We'll have Newt. It's a way of saying, 'This is the new establishment, this is the new world.'"

As it happened, Schwarzenegger — in town to promote the Inner City Olympics for poor youths — dropped in on the speaker on Tuesday. He said he chatted with Gingrich, whom he called "our leader," about the program.

During a picture-taking session before the two went behind closed doors, Schwarzenegger was asked what fitness advice he might have for the speaker. He



said he was glad Gingrich was swimming every day. The speaker said that if he did not exercise he would soon be starting in a movie called "The Last Couch Potato."

"There were two radical movements in the '60s," Horowitz said in an interview after leaving Blankley's office. "One of them nobody ever writes about, and that's the one Gingrich came out of. Now, all those people are in charge of the House."

Horowitz sees the new speaker as the "breakthrough" personality who can "get the attention of nonpolitical people."

"It's exactly the reverse of when Jane Fonda committed treason and came back and won an Academy Award," he said, referring to her visit to Hanoi during the Vietnam War. "That was a very significant moment in Hollywood. It made it acceptable to be extreme left. That ushered in the era of the Oliver Stones."

"We want equal time," he continued. The Republican takeover of Congress and the elevation of Gingrich to the

speakership, he said, "is the breakthrough for a persecuted group of people who've been driven underground."

Horowitz was accompanied by Representative Dana Rohrabacher, Republican of California, one of two members of the House who are surfers, and later had lunch with Representative Christopher Cox, Republican of California.

Hollywood's interest in the speaker comes at a time when the speaker is demonstrating a strong interest in California, as does anyone with an eye on electoral politics. Gingrich has appointed a special California task force made up of Republican members of Congress from California.

"Politically, culturally and economically, California is pivotal to influencing the direction of the country as a whole," said Rohrabacher. "Newt wants to make sure he's not behind the curve. He's setting up his structure so he has input."

PEOPLE

Versace Wins Damages

Gianni Versace received a formal apology on Thursday and about \$100,000 (\$158,000) in libel damages and legal costs from the Independent on Sunday newspaper in London. The apology and damages were shared with the designer's company, his brother Santo, the company president, and sister Donatella, the vice president. Versace had complained about an article published in October that made allegations about accounting information and about the profitability of his London store.



The year of Bob Marley.

Michael Jackson's newest album, with the working title "HIStory," was supposed to be in stores in November. Then it was pushed back to February, and now a spokeswoman for his record label, Epic, says it is scheduled for some time in the spring. Jackson has been working with rhythm and blues producers and songwriters, but they don't seem to know whether he will include their work on his album. Babyface, who wrote a ballad for "HIStory," said, "When we're working, we never talk about whether the song's going to be on there or not."

When Princess Diana paid her first visit to Japan, it was with all the pomp of an official visit by the Prince and Princess of Wales, and enthusiastic crowds materialized wherever she went. This time around, it may be a different story. When Diana arrives Monday for a four-day visit, her estranged husband, Prince Charles, won't be accompanying her. The schedule hasn't been finalized, but so far there are no plans for meetings with top government officials or members of the royal family.

A yearlong celebration of what would have been the reggae star Bob Marley's 50th birthday

began Thursday with the first day of a four-day concert in the Jamaican resort city of Negril, staged by the Bob Marley Foundation. Marley, who was born on Feb. 6, 1945, died in 1981 of cancer. Monday will be Bob Marley Day in Jamaica.

Roman Vlad, a composer and music scholar, has been named artistic director of La Scala opera house in Milan. He had worked at La Scala as a consultant after the resignation of the previous artistic director, Alberto Zedda. Vlad, 76, has been superintendent of the Rome Opera and director of the Rome Philharmonic Academy.

Bruce Springsteen has completed his first album since 1992, "Bruce Springsteen Greatest Hits," to be released by Columbia on Feb. 28. The album features 14 of Springsteen's best-known songs, and four new songs that he recently recorded with the E Street Band, the first recordings Springsteen has made with the full band since 1984.

WEATHER

Forecast for Saturday through Monday, as provided by Accu-Weather.

Europe	Today	High	Low	W	High	Low	W	Tomorrow	High	Low	W
Algeria	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Amsterdam	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Athens	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Berlin	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Bombay	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Buenos Aires	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Calcutta	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Cairo	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Chennai	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Colombo	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Dakar	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Dhaka	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Dubai	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Frankfurt	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Geneva	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Helsinki	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Istanbul	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
London	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Madrid	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Moscow	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Mumbai	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Nairobi	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Paris	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Rangoon	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Riyadh	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Singapore	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Taipei	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Tokyo	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Yokohama	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03

Asia	Today	High	Low	W	High	Low	W	Tomorrow	High	Low	W
Bangkok	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Beijing	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Hong Kong	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Manila	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
New Delhi	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Seoul	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Singapore	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Taipei	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Tokyo	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Yokohama	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03

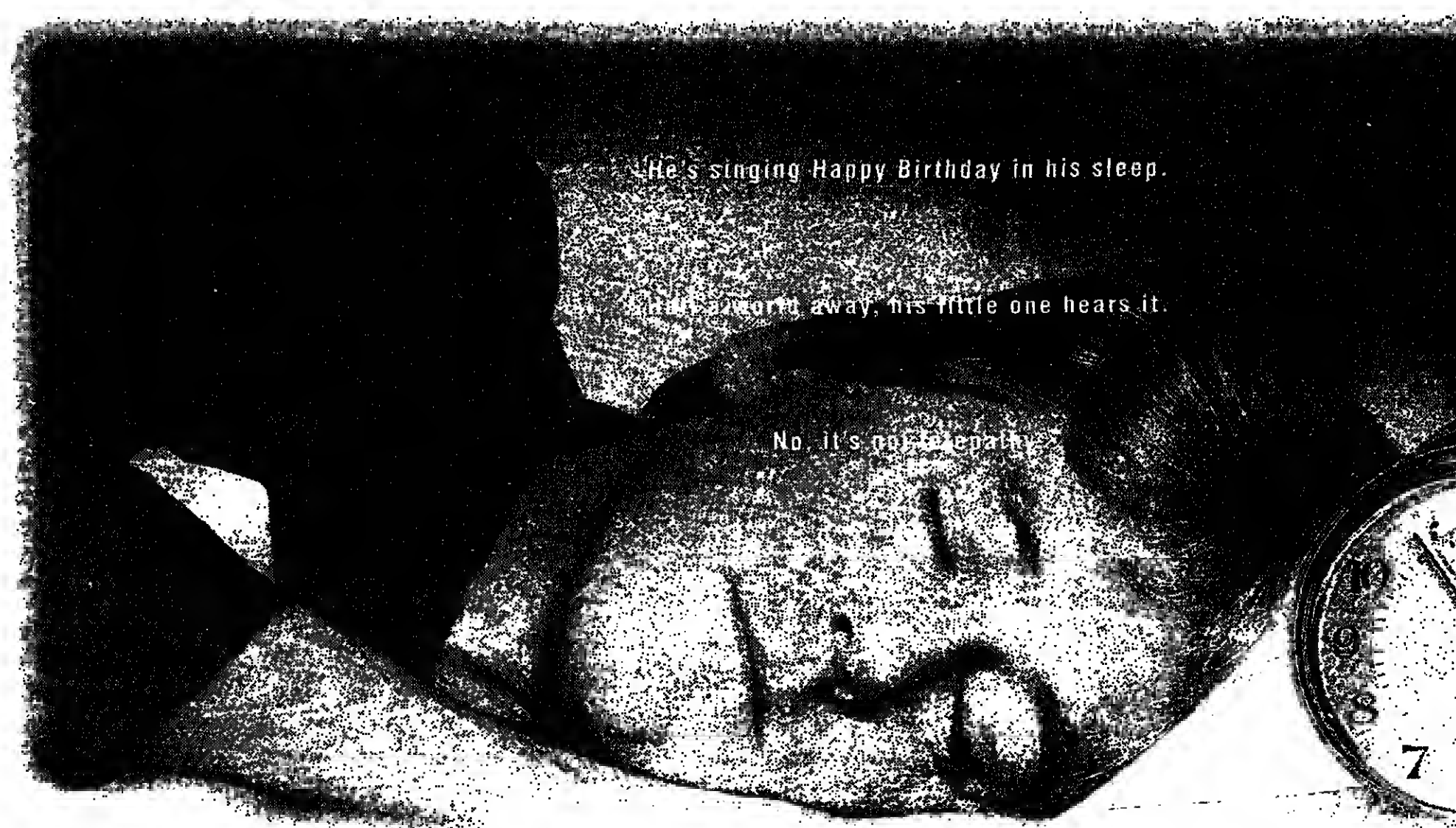
Latin America	Today	High	Low	W	High	Low	W	Tomorrow	High	Low	W
Buenos Aires	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Caracas	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
La Paz	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Lima	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Mexico City	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Rio de Janeiro	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Santiago	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03

North America	Today	High	Low	W	High	Low	W	Tomorrow	High	Low	W
Anchorage	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Atlanta	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Boston	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Chicago	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Denver	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Houston	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Los Angeles	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Manila	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Moscow	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
New York	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
San Francisco	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Seattle	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Tokyo	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03
Yokohama	15/06	14/08	8	21/10	12/03	8	21/10	12/03	8	21/10	12/03

WEEKEND SKI REPORT

Resort	Depth	Run	Res.	Snow	Left	Comments
Andorra	70	90	Fair	Open	Hard	22/1
Les Arcs	50	95	Good	Open	Hard	30/1
Les Deux Alpes	120	250	Good	Open	Pwd	30/1
Le Grand Domaine	50	100	Good	Open	Pwd	30/1
Le Grand Domaine	50	100	Good	Open	Pwd	30/1
Le Grand Domaine	50	100	Good	Open	Pwd	30/1
Le Grand Domaine	50	100	Good	Open	Pwd	30/1
Le Grand Domaine	50	100	Good	Open	Pwd	30/1
Le Grand Domaine	50	100	Good	Open	Pwd	30/1
Le Grand Domaine	50	100	Good	Open	Pwd	30/1

Resort	Depth	Run	Res.	Snow	Left	Comments
Italy	30	105	Good	Open	Pwd	30/1
Bormio	30	105	Good	Open	Pwd	30/1
Cortina	30	105	Good	Open	Pwd	30/1
Cortina	30	105	Good	Open	Pwd	30/1
Cortina	30	105	Good	Open	Pwd	30/1
Cortina	30	105	Good	Open	Pwd	30/1
Cortina	30	105	Good	Open	Pwd	30/1
Cortina	30	105	Good	Open	Pwd	30/1
Cortina	30	105	Good	Open	Pwd	30/1
Cortina	30	105	Good	Open	Pwd	30/1



He's singing Happy Birthday in his sleep.